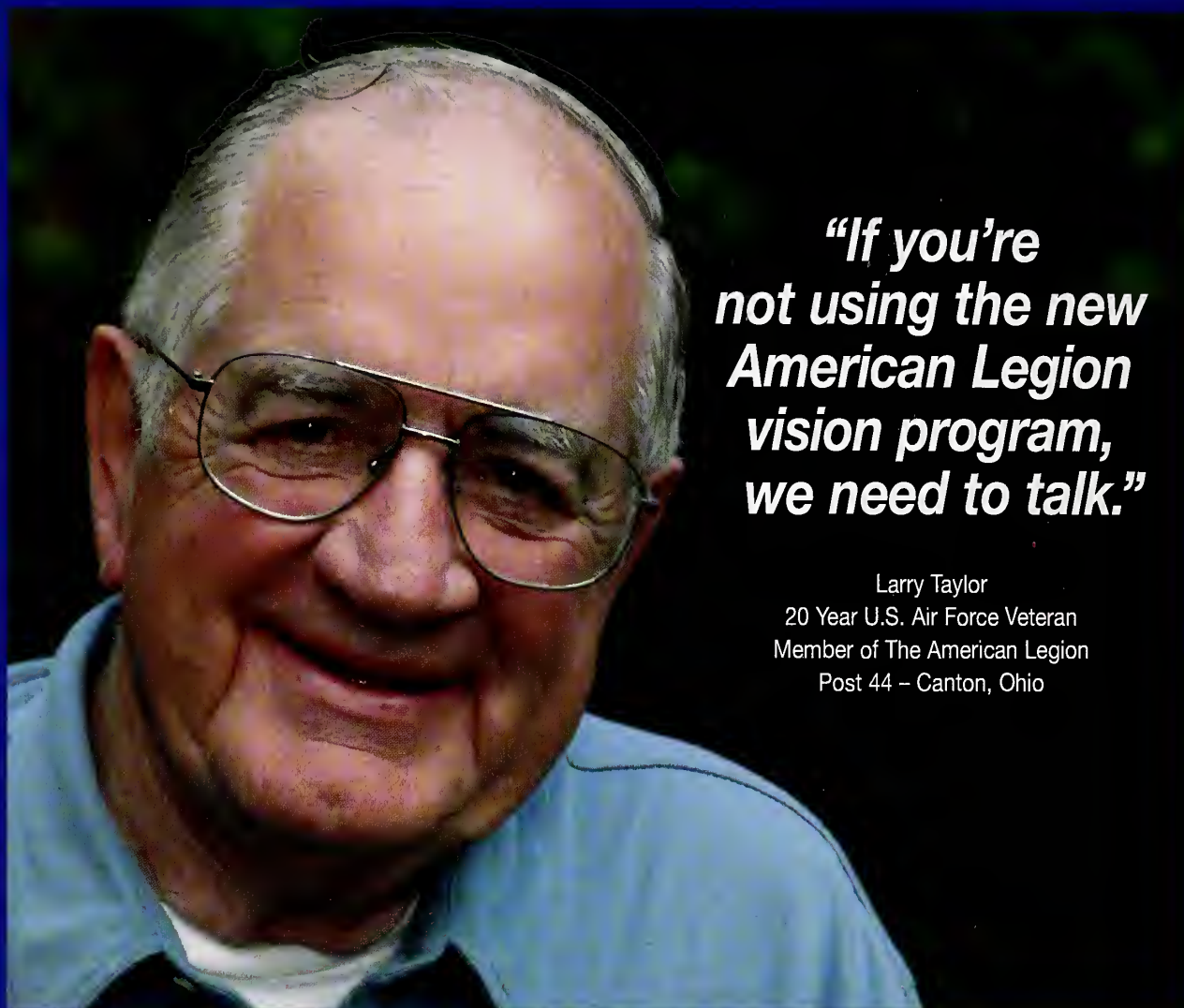


THE AMERICAN LEGION

88TH NATIONAL CONVENTION



AUGUST 25 - 31
OFFICIAL PROGRAM & ANNUAL REPORT



***"If you're
not using the new
American Legion
vision program,
we need to talk."***

Larry Taylor
20 Year U.S. Air Force Veteran
Member of The American Legion
Post 44 - Canton, Ohio

Vision care savings for American Legion members.



*Just show your
membership card to save.*

Larry took advantage of the new American Legion vision program. And now he's telling every member he knows. Members just like you, who receive everyday savings that support everything they believe in. It's easy to participate. Just show your American Legion membership card for discounts on eye exams, frames, lenses, contact lenses - even corrective LASIK surgery.

Save at these participating retailers: LensCrafters, Pearle Vision, Sears Optical and Target Optical. Plus, a network of independent Doctors of Optometry.

You've always seen what matters most. Trust The American Legion vision program to help you do it better.

LENSCRAFTERS

PEARLE VISION

SEARS
Optical

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Optical

The American Legion vision program is managed by EyeMed Vision Care. Independent Doctors of Optometry participate in The American Legion vision program, see www.eyemedvisioncare.com/memweb/MemberBenefits for a qualified listing. For questions call 1-800-793-8626.



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**American
Legion
Auxiliary**
86th National
Convention

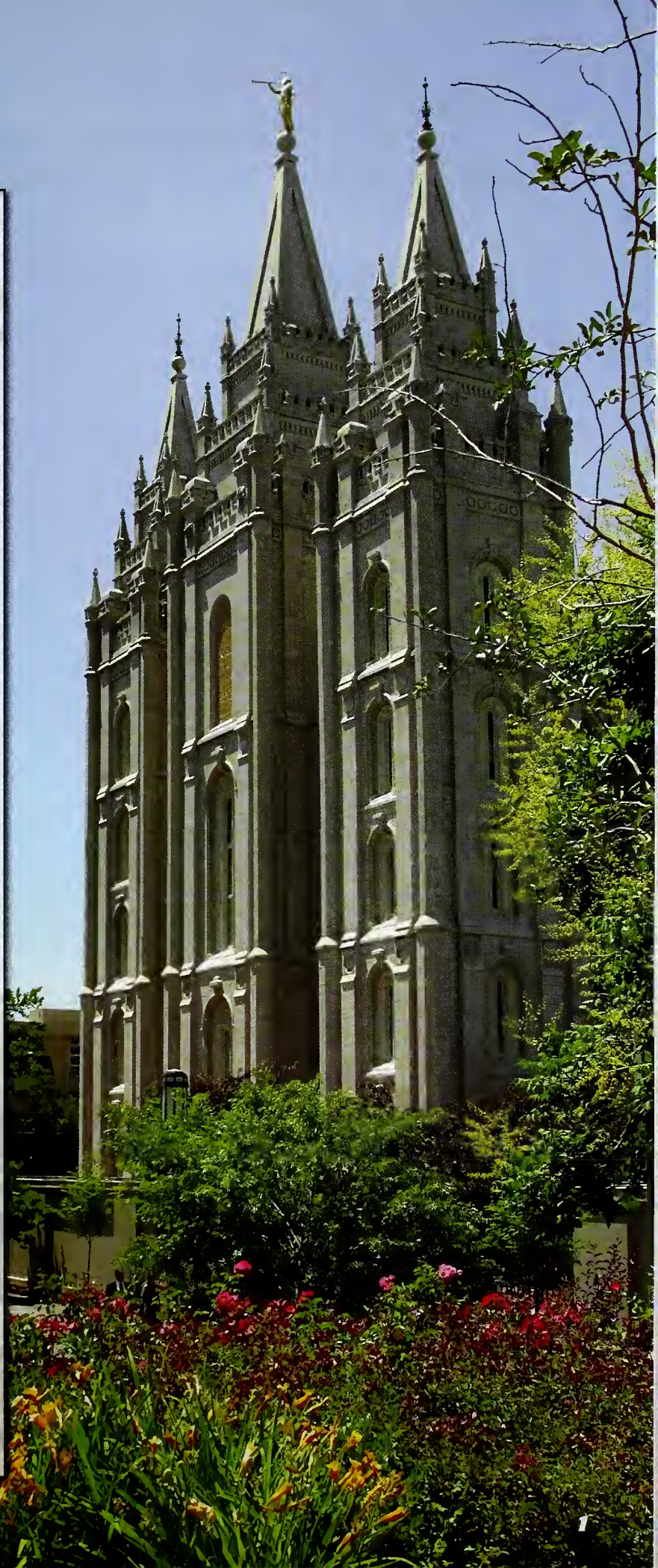


**Sons of
The American
Legion**
35th National
Convention

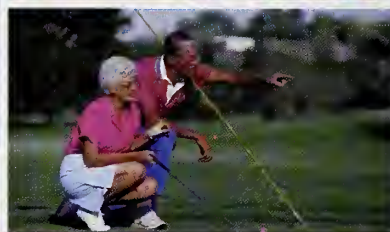
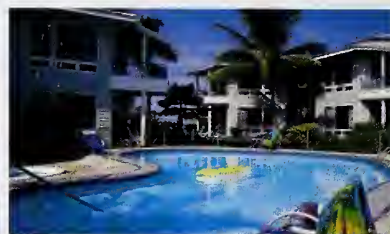


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August 25-31, 2006



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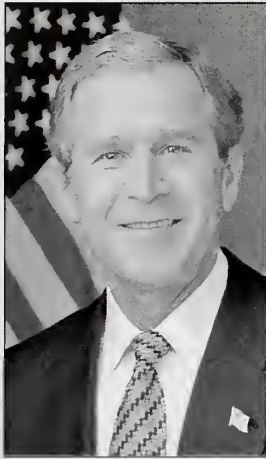
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THE WHITE HOUSE
WASHINGTON

May 16, 2006

I send greetings to those gathered for the 88th National Convention of The American Legion.

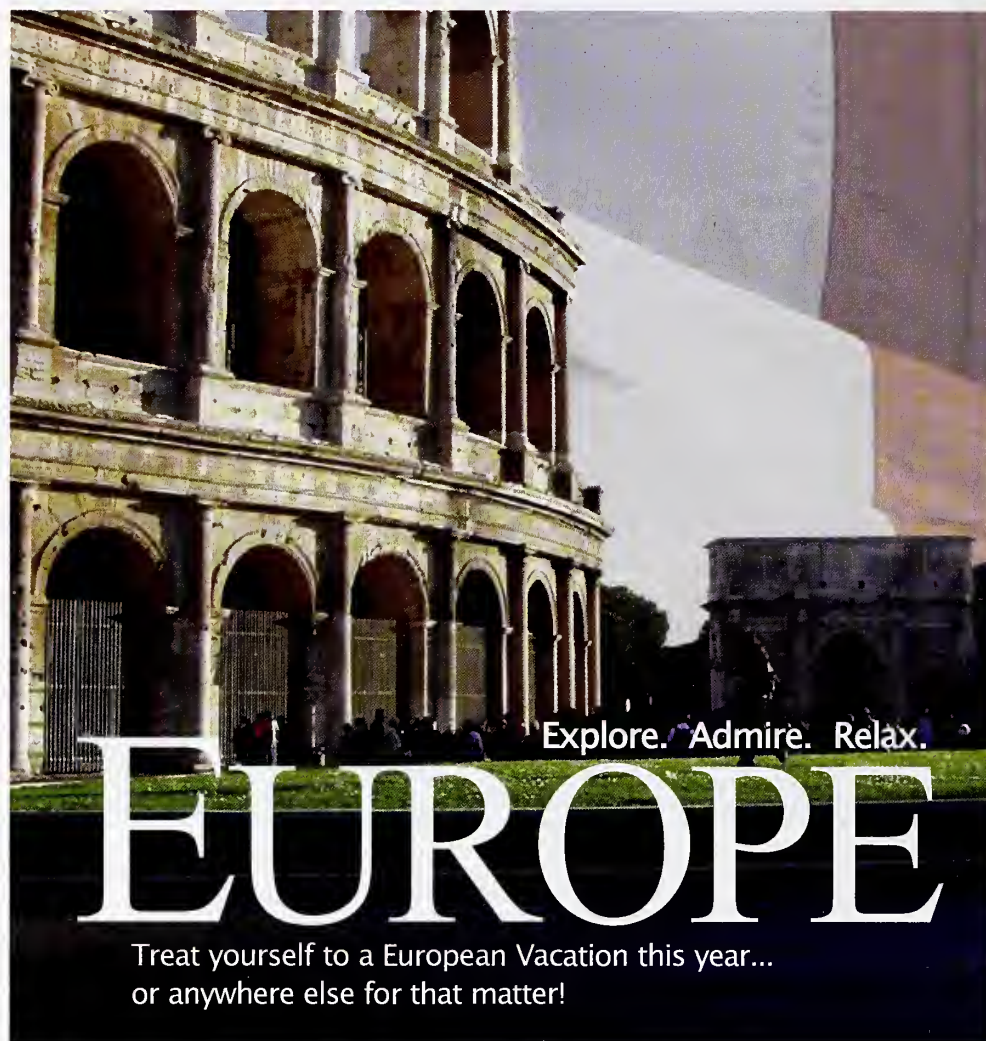
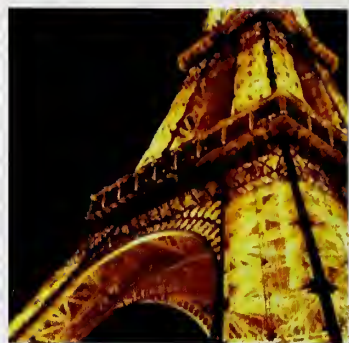
America is grateful to our veterans who have served and sacrificed to advance the cause of freedom, and all of us who live in liberty live in their debt. These Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen have answered the call of duty with unselfish courage and unwavering loyalty. Since World War I, Legionnaires have come together to support and celebrate those who have made our country and the world more secure.

I appreciate Legionnaires for your dedication to God and country. The service you have demonstrated on and off the battlefield makes The American Legion one of our Nation's great organizations. Your proud and patriotic work reflects the best of America.

Laura and I send our best wishes for a successful convention. May God bless you, may God bless our troops, and may God continue to bless America.

A large, stylized handwritten signature in black ink, which appears to read "GWB".

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Greetings from Salt Lake

From the Governor



As governor, it is my pleasure to welcome you to the 88th National Convention of The American Legion. I am delighted you have selected our beautiful state for your meeting site. It is an honor to host all who are associated with the national convention.

Utahns appreciate the tremendous sacrifices made by America's servicemen and women to defend this great land and protect our freedoms. You are to be applauded for the efforts you provided during your military service, as well as your efforts now to teach and instill patriotism and honor.

I invite you to discover the many attractions Utah has to offer, from the red rocks and warm weather of Southern Utah to the majestic mountains of the High Uinta Range, as well as Utah's many historical sites and places to dine and shop.

Best wishes for a memorable convention and for the continued success of The American Legion.

A handwritten signature in dark ink, reading "Jon M. Huntsman Jr." in a cursive style.

Jon M. Huntsman Jr., Governor of Utah

From the Mayor



Welcome to Salt Lake for the 88th National Convention of The American Legion. Salt Lake is a great site for your convention and we are honored to host you.

Take time to enjoy the hospitality of our residents, the inspiring scenery, and the incredible variety of activities Salt Lake County has to offer.

As a citizen I thank you for your service, courage and enduring example – just as I offer appreciation to those patriots who made the ultimate sacrifice. Your ongoing efforts to mentor our young people and serve our communities continue to positively shape our nation.

May this be your best convention yet. Please enjoy Salt Lake and come back and see us again soon.

A handwritten signature in dark ink, reading "Peter M. Corroon" in a cursive style.

Peter M. Corroon, Salt Lake County Mayor

From the Department Commander



On behalf of the American Legion family of Utah, it is my pleasure to welcome you to the great state of Utah. The last convention held in Salt Lake City was in 1996. Welcome back.

We hope that during your visit you will enjoy the hospitality we extend to you. Four years ago we hosted the 2002 Winter Olympics. Some of the things you will see will date back to that great time in our history. We hope you will find time to enjoy the beauties and wonder of our beautiful state.

On behalf of the people of Utah, I extend to you best wishes and hope you will have a productive and enjoyable visit with us.

Thanks for allowing the Department of Utah to host this great Legion family convention.

A handwritten signature in dark ink, reading "Thad S. Jensen" in a cursive style.

Thad S. Jensen, Commander, Department of Utah

Welcome to Salt Lake City



Mormon Temple viewed from the Conference Center

Salt Lake City is a cosmopolitan community with a Western flair. For more than 150 years, the city has been home to the international headquarters of the Church of Jesus Christ of Latter-day Saints. Four years ago, world-class athletes and sports enthusiasts converged on the city and other Utah venues to both participate in and witness the 2002 Winter Olympics. This week, Legionnaires gather at Salt Lake City's world-famous Salt Palace Convention Center for The American Legion's 88th National Convention.

Visitors will find a myriad of activities within range of their hotels and the Salt Palace. More than 50 restaurants are within comfortable walking distance. Cultural venues abound, and the city offers a wide variety of entertainment choices.

Temple Square is one of the city's most popular attractions. The complex and surrounding area contains more than a dozen historic and contemporary buildings, including Salt Lake Temple and the domed Mormon Tabernacle.

Gateway Mall, two blocks west of the Salt Palace, is the site of the renowned Olympic Fountain where both children and adults enjoy the fountain's dancing waters. The historic Union Pacific Depot is adjacent to Gateway. An eclectic mix of retail stores and restaurants is found at historic Trolley Square, housed in restored trolley-car barns.

Getting around downtown Salt Lake City on foot is easy, and public transportation is free within the downtown business district, roughly bounded by 400 West, North Temple, 200 East and 500 South. TRAX, the city's light-rail system, originates near the Delta Center. For locations of TRAX stations, bus stops and routes, call the Utah Transportation Authority at (801) 743-3883.



The Gateway Mall



The Mormon Tabernacle Choir



The Olympic Fountain



The Union Pacific Depot

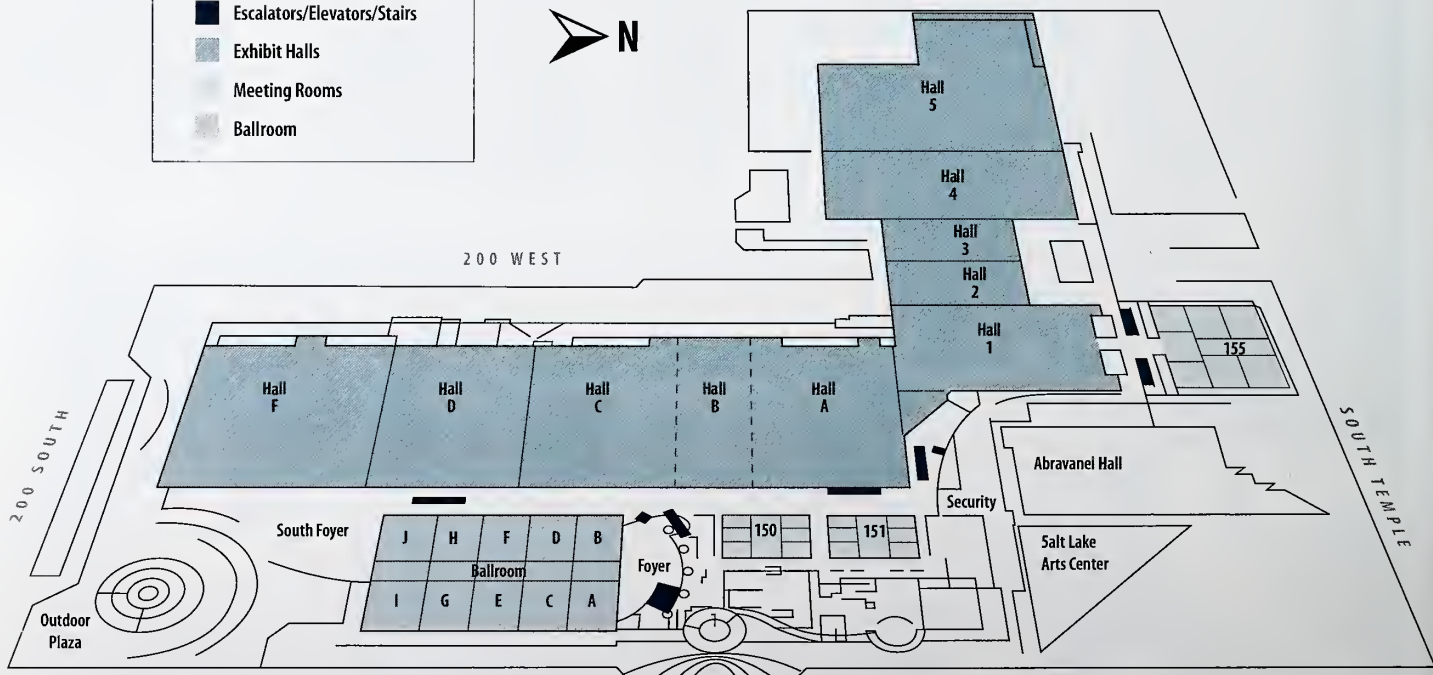
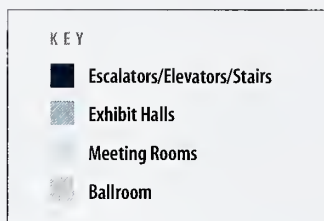
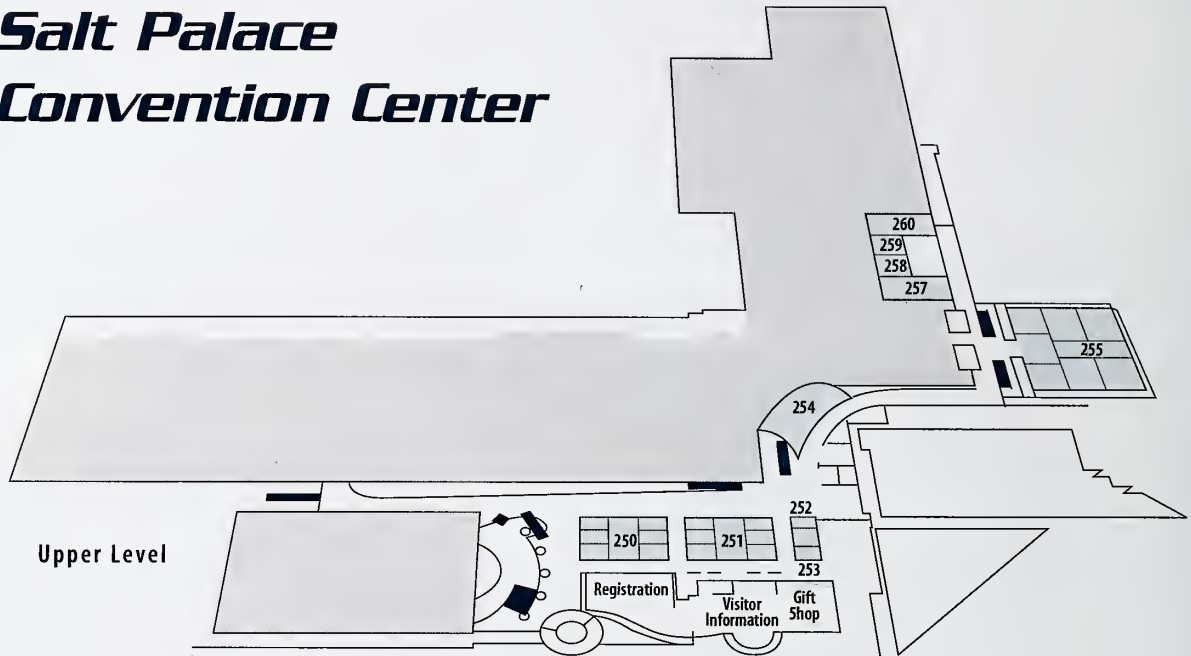


This Is The Place Heritage Park



Trolley Square

Salt Palace Convention Center



Lower Level



Registration and Information Desk

The registration and information desk for the 88th National Convention of The American Legion will be open from Thursday, Aug. 24, 2006, to Wednesday, Aug. 30, 2006, in the lobby area outside Hall C in the Salt Palace as follows:

Thursday	8 a.m. – 3:30 p.m.
Friday	8 a.m. – 3:30 p.m.
Saturday	7 a.m. – 3:30 p.m.
Sunday	8 a.m. – 2 p.m.
Monday	8 a.m. – 2 p.m.
Tuesday	8 a.m. – 2 p.m.
Wednesday	8 a.m. – 1 p.m.

Exhibit Hall, Hall C, Salt Palace, hours of operation:

Friday	8 a.m. – 3:30 p.m.
Saturday	8 a.m. – 3:30 p.m.
Sunday	8 a.m. – 2 p.m.
Monday	8 a.m. – 2 p.m.
Tuesday	8 a.m. – 2 p.m.

Thank You

Nancy Hays Entertainment, Inc.
Country Music Star
Michael Peterson

Salt Palace Convention Center
Julie Rhoads
Jean Tracy
Richard Drose
Jed Hansen

The American Legion National
Convention Corp. of Utah
Salt Lake City Police Department
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D.E. Baugh Co., Inc.
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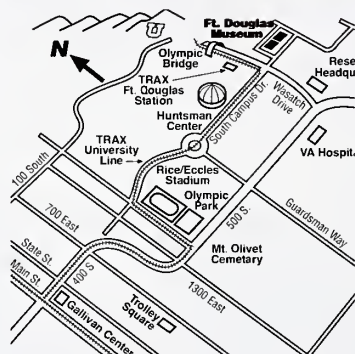
Florida Radio Rental
VAMC Salt Lake City
The Department of Defense
Maestro Peter Ole'
The National Convention
Commission, Jeffrey L. Olson
(Minn.), Chairman
AVIS Rental Car Co.
2nd Lt. Amber Balken, Hill AFB
The Church of Jesus Christ
of Latter-day Saints
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- www.fortdouglas.org • fdouglas@webguyinternet.com
- Hours: 12 noon to 5 p.m. Tuesday thru Saturday



88th National Convention Official Program

Thomas L. Bock
National Commander

Jeffrey L. Olson
Chairman, National Convention Commission
Utah 2006 National Convention Corp.

Bill Christoffersen
President/Legislative Liaison

Terry Schow
Vice President/Legislative Liaison

Greg Rowley
Secretary/Distinguished Guests

Dana Meier
Treasurer

Lance Vanderhoof
Board Member

Todd Atkin
Board Member

Thad Jensen
Board Member

Gary Schwartz
Board Member

Darrell Loveland
Badges & Packets

Allan Setterberg
Information/Board Member

Bob Frank
Parade Chairman

Steve Wright
Patriotic Memorial Service

Judy Daybell
American Legion Auxiliary

Bob Jones
Sons of The American Legion

National Convention & Meetings Division

Richard Holmes
Director

Jennifer Zellers
Deputy Director

Produced by The American Legion Magazine

Dennis J. Henkemeyer
Chairman

THE AMERICAN LEGION

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ZipRider*
Bungy Tramp
Hiking
The Cliff Spa
Mountain Biking*
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Stargazers
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Summer Music Series
(most concerts are free)



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Sunday Brunch
Patio Dining

*These activities open early July. All activities are weather and conditions permitting. Some activities may be restricted due to chairlift construction.

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2006 Salt Lake City National Convention Hotel Directory

Department Delegations	Hotel	Address	Phone Number
Alabama	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Alaska	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Arizona	Embassy Suites	110 West 600 South, Salt Lake City, UT 84101	(801) 359-7800
Arkansas	Hotel Monaco	15 West 200 South, Salt Lake City, UT 84101	(801) 595-0000
California	Sheraton City Centre	150 West 500 South, Salt Lake City, UT 84101	(801) 531-0705
Colorado	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Connecticut	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Delaware	Marriott Downtown	75 South West Temple, Salt Lake City, UT 84101	(801) 531-0800
District of Columbia	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Florida	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
France	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Georgia	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Hawaii	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Idaho	Radisson	215 West South Temple, Salt Lake City, UT 84101	(801) 531-7500
Illinois	Best Western Garden Inn	154 West 600 South, Salt Lake City, UT 84101	(801) 521-2930
Indiana	Marriott City Center	220 S. State St., Salt Lake City, UT 84111	(801) 961-8700
Iowa	Marriott Downtown	75 South West Temple, Salt Lake City, UT 84101	(801) 531-0800
Kansas	Radisson	215 West South Temple, Salt Lake City, UT 84101	(801) 531-7500
Kentucky	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Louisiana	The Peery Hotel	110 W. Broadway St., Salt Lake City, UT 84101	(801) 521-4300
Maine	Radisson	215 West South Temple, Salt Lake City, UT 84101	(801) 531-7500
Maryland	The Crystal Inn	230 West 500 South, Salt Lake City, UT 84101	(801) 328-4466
Massachusetts	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Mexico	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Michigan	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Minnesota	Marriott Downtown	75 South West Temple, Salt Lake City, UT 84101	(801) 531-0800
Mississippi	Radisson	215 West South Temple, Salt Lake City, UT 84101	(801) 531-7500
Missouri	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Montana	Marriott Downtown	75 South West Temple, Salt Lake City, UT 84101	(801) 531-0800
Nebraska	Radisson	215 West South Temple, Salt Lake City, UT 84101	(801) 531-7500
Nevada	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
New Hampshire	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
New Jersey	Courtyard by Marriott	130 West 400 South, Salt Lake City, UT 84101	(801) 531-6000
New Mexico	Marriott City Center	220 S. State St., Salt Lake City, UT 84111	(801) 961-8700
New York	Red Lion	161 West 600 South, Salt Lake City, UT 84101	(801) 521-7373
North Carolina	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
North Dakota	Radisson	215 West South Temple, Salt Lake City, UT 84101	(801) 531-7500
Ohio	Shilo Inn Downtown	206 South West Temple, Salt Lake City, UT 84101	(801) 521-9500
Oklahoma	Shilo Inn Downtown	206 South West Temple, Salt Lake City, UT 84101	(801) 521-9500
Oregon	Hotel Monaco	15 West 200 South, Salt Lake City, UT 84101	(801) 595-0000
Pennsylvania	Sheraton City Centre	150 West 500 South, Salt Lake City, UT 84101	(801) 531-0705
Philippines	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Puerto Rico	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
Rhode Island	The Crystal Inn	230 West 500 South, Salt Lake City, UT 84101	(801) 328-4466
South Carolina	Hotel Monaco	15 West 200 South, Salt Lake City, UT 84101	(801) 595-0000
South Dakota	Marriott Downtown	75 South West Temple, Salt Lake City, UT 84101	(801) 531-0800
Tennessee	Hotel Monaco	15 West 200 South, Salt Lake City, UT 84101	(801) 595-0000
Texas	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Utah	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Vermont	Marriott Downtown	75 South West Temple, Salt Lake City, UT 84101	(801) 531-0800
Virginia	Embassy Suites	110 West 600 South, Salt Lake City, UT 84101	(801) 359-7800
Washington	Salt Lake City Plaza Hotel	122 West South Temple, Salt Lake City, UT 84101	(801) 521-0130
West Virginia	The Crystal Inn	230 West 500 South, Salt Lake City, UT 84101	(801) 328-4466
Wisconsin	Radisson	215 West South Temple, Salt Lake City, UT 84101	(801) 531-7500
Wyoming	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
National Headquarters	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
American Legion Auxiliary	Little America	500 S. Main St., Salt Lake City, UT 84101	(801) 596-5700
Sons of The American Legion	Hilton Salt Lake City Center	255 South West Temple, Salt Lake City, UT 84101	(801) 328-2000
8 et 40	Marriott City Center	220 S. State St., Salt Lake City, UT 84111	(801) 961-8700

National Commander

Thomas L. Bock

A year to remember



Veterans Day at Arlington National Cemetery

This year has been a challenging one for The American Legion.

In June, the flag amendment suffered a heartbreaking defeat in the U.S. Senate, where it missed passage by a single vote. The House Veterans Affairs Committee eliminated the national commander's testimony of the major veterans service organizations. And while membership holds steady at nearly 2.6 million, we're losing many Legionnaires by the "back door" when they fail to re-up.

The nation we serve, meanwhile, needs The American Legion more than ever before. Thousands of young men and women are returning from Iraq and Afghanistan with life-altering injuries, dependent on a VA health-care system that may or may not be able to care for them. Our U.S. military wages war on terrorists around the world, and we honor it here at home by confronting both an antiwar movement with a death wish for America and groups seeking to derail the Boy Scouts, erase our nation's religious heritage and disrupt the funerals of fallen servicemembers. Every time, the Legion has been there to stand up for American values.

Truly, I cannot help but feel upbeat. The flag amendment, long championed by the public, now enjoys the support of more legislators than ever before. The American Legion national commander will testify before the Senate Veterans Affairs Committee in September, but only has an invitation for a five-minute presentation before the House Veterans Affairs Committee that same day. Rest assured, the Legion will not allow veterans to be shut out of Congress. We will continue to fight to regain our 20-year tradition of a full testimony before the joint House and Senate committees. And while we must do a better job of reaching out to members who are wavering on renewal, I am continually impressed by the number of young veterans joining our ranks because of what they've heard about American Legion programs and the way we care for our fellow veterans.

The American Legion's shining moment this year was a deeply personal one, coming in the aftermath of hurricanes Katrina and Wilma, which devastated the Gulf Coast and affected many Legionnaires and their families. Through the National Emergency Fund, the Legion distributed more than \$2 million in 2005 in immediate financial assistance to members and posts. You continued to give and to give and to give, at the moment when thousands of Legion family members needed help the most. That alone is impressive, but since last summer, you have stepped up again, this time to replenish the National Emergency Fund, and we are within reach of our \$2.6 million goal of \$1 per member. What a giving group you are.

I look back on my year as your national commander and am so grateful to have had the privilege of representing you at home and abroad. I have met with Legionnaires in all 50 states, as well as Washington, D.C., France, the Philippines and Puerto Rico, to share with them the excitement and good news of the many accomplishments of our organization. I have visited VA hospitals and nursing homes, where I urged legislators and officials alike to do right by America's veterans by ensuring adequate funding and facilities. I have expressed our love and appreciation to wounded soldiers, assuring them we will fight for the care and benefits they were promised. I have visited Iraq and Guantanamo Bay, where our men and women in uniform risk their lives daily to protect us from those who would strip us of our freedoms and our lives. On your behalf, I thanked them and acknowledged their sacrifices. We were them, once. Tomorrow they will be us.

And the Legion marches on.

A handwritten signature in black ink that reads "Thomas L. Bock".



Pushing for the flag amendment on Capitol Hill



Bock in Iraq



With President Bush in the Oval Office



Guantanamo Bay

1994 dues outlasted expectations

Resolution No. 37: Increase In National Per Capita Dues Of The American Legion

Submitted by: Finance Commission

WHEREAS, The National per capita dues remained constant at \$9.00 since January 10, 1994, although our nation has experienced a cumulative inflation rate of 34.22% during that time, and inflation continues to erode the value of the dollar; and

WHEREAS, In 1993, when the last dues increase was adopted, it was anticipated the increase would last the National Organization until 2004; and

WHEREAS, The average annual increase for products such as paper, postage and printing has been around 6%; and

WHEREAS, The National Organization closed its 2005 financial records showing a \$14,821 deficit; and

WHEREAS, The National Organizations approved deficit 2006 budget is \$433,060; and

WHEREAS, Comparing the National Organizations financial records from March 31, 2005 to March 31, 2006, it shows a surplus of almost \$2,000,000 LESS; and

WHEREAS, The National Organization, by practicing prudent fiscal management, including increasing outside income, reduction of staff, increase surplus in National Emblem Sales and The American Legion Magazine and improving our product bidding process, was able to absorb rising costs through 2006, but will no longer be able to do so; and

WHEREAS, It is the opinion of the National Executive Committee of The American Legion that a per capita dues increase is necessary in 2007 in order to ensure solvency for the National Organization, and, in the absence of a per capita dues increase, the National Organization will be forced to curtail drastically some of its traditional and long-standing programs; now, therefore, be it

RESOLVED, By the National Executive Committee of The American Legion in regular meeting assembled in Indianapolis, Indiana, May 10-11, 2006, That the National Executive Committee hereby recommends to the 2006 National Convention that the National per capita dues for the calendar year 2007 be fixed in the amount of \$13.50, provided that any 2007 dues paid at the old rate of \$9.00 shall be accepted if remitted by the Departments to the National Organization by close of business January 10, 2007, which is the mid-winter 80% target date.



By National Commander Thomas L. Bock

A national newspaper chain dispatched an investigative reporter a few months ago to dig for dirt among veterans service organizations around the country. The thesis was that VSOs were soliciting money meant for particular charitable purposes — jobs for disabled veterans, for instance — and spending it on something else, like operating costs. The reporter was apparently so disappointed by what she found from The American Legion, the world's largest VSO, she conspicuously left us out of the story.

Top officials at National Headquarters welcomed her inquiry. She was granted the same access any Legionnaire has to the organization's books. Congress likewise sees how we spend our money each year when we submit a comprehensive report to fulfill the responsibilities of our federal charter. We also print our financials and audit report summary in the annual national convention program. Fiscal transparency is an article of trust. We take it seriously.

The reporter found the Legion spends 81 to 98 cents of every donated dollar directly on purposes stated in their legal trust documents. Those purposes include grants for sick children, scholarships for young people who've lost parents to war, funds for military families financially troubled due to sudden deployment, and aid to veterans harmed by natural disasters. We had nothing to hide about our financial management of charitable donations.

We have nothing to hide today, 13 years after the 75th National Convention in Pittsburgh approved the Legion's most recent member dues increase. So, as with the investigative reporter, we openly address the economic realities of the National Executive Committee's recommendation at the 88th National Convention in Salt Lake City this year for a \$4.50 per-capita dues increase, starting Jan. 10, 2007.

The dues that went into effect in 1994 were expected to last eight years without adjustment. When that span was up, in 2002, dues were examined but left alone because the Legion had:

Resolution No. 37: Increase In National Per Capita Dues

- Optimized computer technology to reduce costs in every division;
- Improved the vendor bidding process to assure highest quality supplies for the fairest prices;
- Invested carefully and successfully;
- Enhanced cost effectiveness of merchandise inventory, sales and service;
- Adjusted the magazine to save upwards of \$1 million a year in paper and postage costs;
- Cut back the travel budget, and;
- Come up with dozens of small, staff-generated ideas – with great cumulative effect – to extend the life of the 1994 decision.

Dues were studied again in 2003, 2004 and 2005. Staff levels had been reduced 14 percent since 1994. Fresh revenue streams were opened, ever cognizant that we cannot compromise on our mission of service to veterans and patriotic values, to make up for a dip in membership and a narrowing of the gap between revenues and expenses. New-member retention has fallen from about 90 percent historically to about 88 percent, a driving factor behind a 450,000-member decline since 1994, which equates to about \$4 million. Costs were managed accordingly.

In 2005, for the first time since the 1994 increase, the organization ran a budget deficit, of \$14,821. In 2006, the deficit is budgeted at \$433,060. The reasons are many and varied, not the least of which are a 140-percent jump in insurance costs, a 72-percent hike in utilities, meteoric rises in fuel prices that ripple through all operations, increases in printing, postage and paper for the magazine, renewal notices and membership marketing information. Along the way, we have not missed a stride in the development and

execution of important programs, like the resurrection of Blue Star Banners, the 17-year campaign to pass the flag amendment, the nationwide "I Am Not a Number" and "System Worth Saving" campaigns for a better VA health-care system, plus numerous new resources and support efforts for active-duty personnel, including our TS2 guidebooks, along with aggressive veteran-hiring programs like the Salute Our Heroes job fairs and career expos.

The proposed annual dues increase costs about as much as a hamburger combo at a fast-food restaurant. It is calculated to last a decade. History suggests it will last longer. Without the increase, the Legion is forced to look beyond such measures as freezing salaries and adjusting the size of the magazine. It will be time to cut programs and services. The organization is now at the same place it was when a delegate to the 1993 National Convention shouted from the floor, "Let's do it! Let's do it now!" To wait, he realized, is to cut. And to wait longer is to cut more. That's not what the founders of this organization wanted us to do. And that's not what we want to do.

A veteran in South Carolina recently observed that the only thing separating VA patients from huge annual enrollment fees and massive increases in medical co-payments – ideas strongly pursued over the past five years in Washington – is persistent lobbying from The American Legion. The same can be said about the fight to keep VA hospitals and clinics open. Only a few weeks ago, the Legion hired new staff to work in the Pentagon to help severely wounded veterans transition back to civilian life.

Also this summer, thousands of young men once again were rounding baseball diamonds, instead of cruising strips, thanks to The American Legion. Future leaders will emerge from our oratorical competitions and Boys Nation. And we stand one year removed from a Gulf



Coast hurricane season where the Legion's cash grants saved veterans from financial despair, if not from death itself. The value of our programs is indisputable.

In this time of war and federal budget uncertainty, America needs a fiscally fit American Legion, a proud and time-honored organization focused on its mission, not on the reduction of it. Too many important Legion programs – efforts that stretch from the youngest children to the oldest veterans – depend on us. The increase is \$4.50 a year. It will last a decade or more. Without it, we are dramatically compromised. That's the economic reality. It's time, as the 1993 delegate said 13 years ago, to do it, and to do it now.



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STORAENSO 

Programs & Agendas

For God and Country we
associate ourselves for
the following purposes:

To uphold and defend the
Constitution of the United
States of America;

To maintain law and order;

To foster and perpetuate
a one-hundred percent
Americanism;

To preserve the memories
and incidents of our
associations in the
Great Wars;

To inculcate a sense of
individual obligation to
the community, state and
nation;

To combat the autocracy
of both the classes and the
masses;

To make right the master
of might;

To promote peace and
good will on earth;

To safeguard and transmit
to posterity the principles
of justice, freedom and
democracy;

To consecrate and sanctify
our comradeship by our
devotion to mutual
helpfulness.





Bulkley Dunton Publishing Group Congratulates The American Legion on their 88th National Convention

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**The Church of Jesus Christ
of Latter-day Saints
Conference Center**

north of Temple Square
Sunday, Aug. 27, 2006
10:30 a.m.



God Bless America

*God bless America,
Land that I love,
Stand beside her and guide her
Thru the night with a light from above.
From the mountains to the prairies
To the oceans white with foam,
God bless America
My home, sweet home.
God bless America,
My home, sweet home.*

Welcome

Steven E. Wright
National Chaplain
The American Legion

Posting of the Colors

Indiana 2nd District Color Guard
*2005 Military Class National
Champions*

National Anthem

Mormon Tabernacle Choir and
attendees

Invocation

Larry Ford
National Chaplain
Maryland
Sons of The American Legion

Pledge of Allegiance

Reading of the Holy

Scriptures
Byron Lewis
Utah Department Chaplain

Marva Davis
Auxiliary Chaplain
American Legion Auxiliary of
Utah

Music

"Consider the Lilies"
Mormon Tabernacle Choir

Memorial Prayer

Mrs. K. Rosey Newman
National Chaplain
Indiana
American Legion Auxiliary

Music

"Who Are the Brave"
Marman Tabernacle Choir

Memorial Message

Steven E. Wright
National Chaplain
Utah
The American Legion

Music

*"The Battle Hymn of the
Republic"*
Marman Tabernacle Choir

**Presentation of Memorial
Wreaths**

**For The American
Legion:**

Thomas L. Bock
National Cammander
Calarada

Robert W. Spanogle
National Adjutant
Michigan

**For the American
Legion Auxiliary:**

Carol Van Kirk
National President
Nebraska

Pamela S. Gilley
National Secretary
Indiana

**For Sons of The
American Legion:**

William L. Sparwasser
National Cammander
Maryland

Brian O'Hearne
National Adjutant
Massachusetts

For the Eight et Forty:

Mary Lou Chester
Le Chapeau National
Kentucky

Elyline Schweitzer
La Secretaire-Cassiere Nationale
Califarnia

Steven E. Wright
National Chaplain
Utah

K. Rosey Newman
National Chaplain
Indiana

Music

"Highland Cathedral"
Wasatch & District Pipe Band

*"Thou Gracious God, Whose
Mercy Lends"*
Marman Tabernacle Chair

Moment of Meditation

"Taps"

Retirement of Colors

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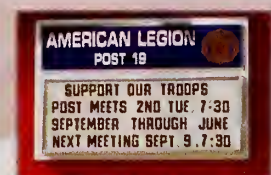


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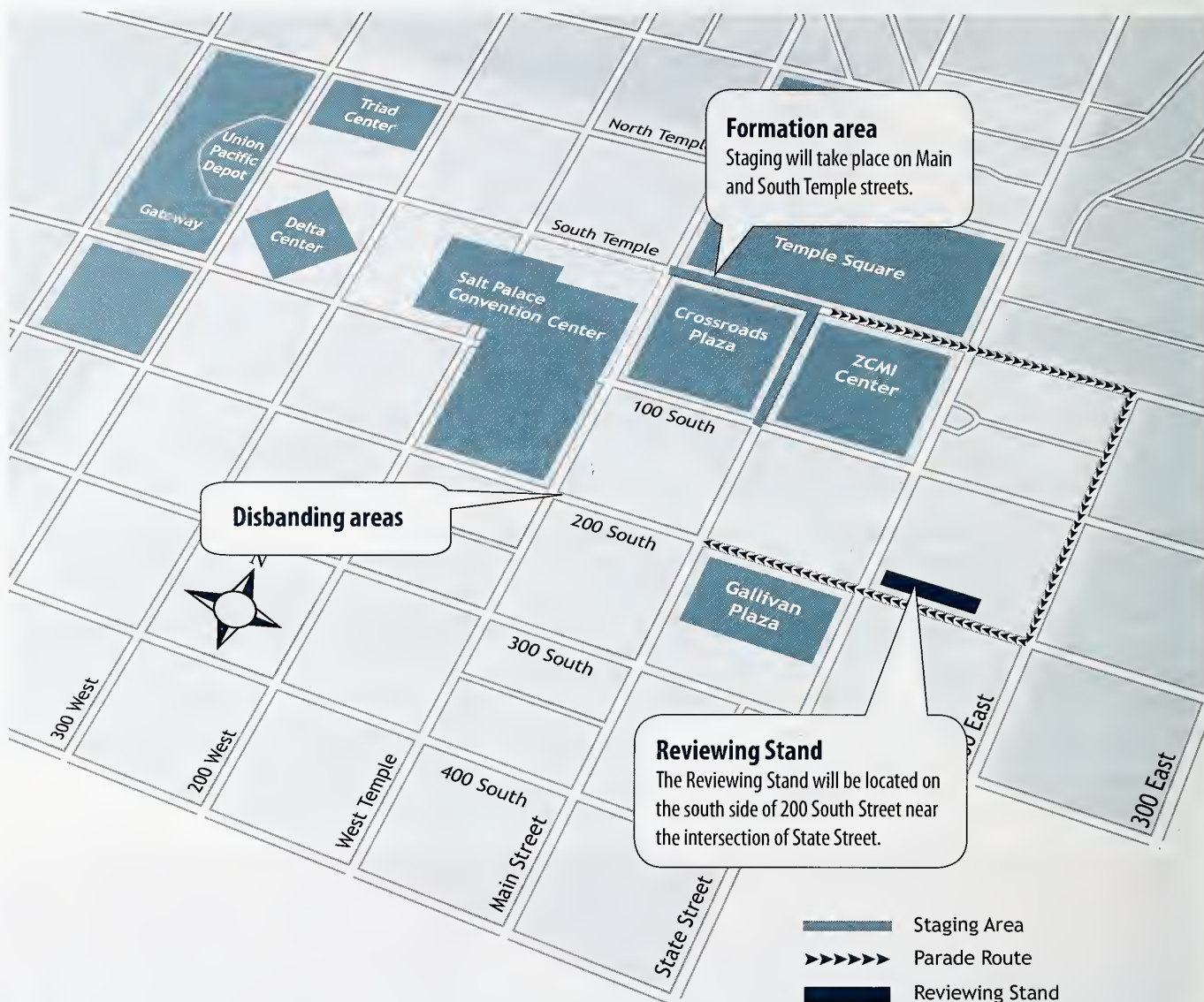
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The American Legion 88th National Convention Parade



Honorary Grand Marshal
Thomas P. Cadmus
Past National Commander



Parade Chairman
Bob Frank
2006 Utah National Convention Corp.



Color Guard and Band Contest

Saturday, Aug. 26

Color Guard Contest

8 a.m. – 1 p.m.
Halls A & B, Lower Level
Salt Palace

Band Contest

1 p.m. – 5 p.m.
Abravanel Hall
Salt Palace

The American Legion 88th National Convention Parade

Sunday, Aug. 27, 2006, 4 p.m.

Formation Area: On Main Street from 200 South to South Temple, facing north, for vehicles. On South Temple from 200 West to Main Street, facing east, for marchers.

Route: Exit from the staging areas and head east on South Temple. Continue on South Temple to 200 East, where the route turns east. Continue on 200 East to 200 South, where the route turns west. Continue on 200 South until Main Street, where the parade ends across from Gallivan Plaza.

Disbanding Area: Continue west on 200 South to the Convention Center, where the parade officially disbands at West Temple.

Reviewing Stand: Located on the north side of 200 South just before State Street.

The official parade of the 88th National Convention of The American Legion will be governed by instructions contained herein together with the Organization and March Timetable.

1. TIME

(All times in these orders are Pacific Standard Time.)

A: The leading element of the parade will move from the "Initial Point" promptly at 4 p.m. Sunday, Aug. 27, 2006, regardless of weather (the exception being an electrical storm).

B: The time and place of assembly for each department or element of the parade will be shown in detail on the Organization and March Timetable, a copy of which will be given to each department parade chairman. A meeting of all department parade chairmen will be conducted at 2 p.m. Saturday, Aug. 26, 2006, in the Salt Palace Convention Center, Room 151G.

C: A parade official will direct departments and elements of the parade to their assigned assembly areas. That official will advise all bus drivers of the route to follow to the disbanding area.

D: Because of the nature of the assembly area, accurate logistics are essential. Promptness in arrival at the assembly area is highly encouraged.

2. ORGANIZATION

A: All elements have been assigned to divisions, each under the direction of the parade officials. The composition of these divisions, order of march, time and place of assembly, and parade map have been supplied to each of the department parade chairmen.

B: All Department of Defense units will be governed by applicable regulations, but summer uniforms are recommended.

C: Each department commander or appointed parade representative will be responsible for the order of march and promptness of arrival at the assembly area of all units of his department. All units will conform to the following distribution and formation:

1. All American flags, the department and post colors of each department, and the department and unit colors of each department of the Auxiliary will be massed at the head of each department delegation, in that order.

2. American Legion units within departments will march in formation eight (8) abreast, one and one-half yards between ranks.

3. **BANDS AND DRUM CORPS:** As directed by drum majors but not to exceed eight (8) abreast.

4. Authorized floats and automobiles in single column. No unauthorized floats or automobiles will be allowed to participate. All vehicles must be equipped with identifying signs on sides thereof and must also carry an "OFFICIAL CAR" sticker on the windshield.

5. **ABSOLUTELY NO MANEUVERS EXCEPT FOR A FORWARD MOVEMENT.** Marching and mounted units, bands, color guards and drill teams must abide by this regulation.

D: DISTANCES

1. Between divisions — 30 yards

2. Between departments — 20 yards

3. Between elements of a department — 10 yards

3. OFFICIAL REVIEWING STAND

The Official Reviewing Stand will be located on the north side of 200 South just before State Street. Elements will render a salute to the national commander while passing the reviewing stand (eyes right).

4. ELIGIBILITY TO PARTICIPATE IN THE PARADE AND CONDUCT OF PARTICIPANTS

A: Pursuant to resolution adopted at a meeting of the National Convention Commission at Miami Beach on March 12, 1970, there will be no participation of any vehicles, equipment or items of wearing apparel of the 40 et 8. The Parade Committee of the 2006 Convention Corporation will enforce this regulation.

B: With exception of police, firemen, military and naval escort, and distinguished guests, eligibility to participate in the parade is limited to members of The American Legion and the uniform bodies of American Legion Auxiliary and Sons of The American Legion subject to restriction of the following activities, which shall be prohibited

in the line of march:

1. The drinking of or simulated drinking of intoxicants.
2. Participants under the influence of intoxicants.
3. Use of water pistols and electric shocking devices.
4. Female impersonators.
5. Firecrackers and any other explosives.
6. Any presentation or representation either immoral or in bad taste.

C: Violators of any of the above rules will be dismissed from the parade immediately.

5. FIRST-AID STATIONS

First-aid stations and water stations will be located throughout the parade route and in the disbanding area. Additionally, ambulances and mobile EMT units will be available to assist parade marchers and spectators.

6. PARKING OF CHARTERED OR POST BUSES

Bus parking will be addressed at the Parade Meeting on Saturday, Aug. 26, 2006.

Buses will load their personnel at the assigned area within the disbanding area. Parade officials will direct participants to their buses.

PERSONAL BELONGINGS AND ALL EQUIPMENT SHOULD BE REMOVED FROM THE BUSES WHEN UNLOADING AT THE ASSEMBLY AREA.

Standing Rules of the National Convention

As contained in the "Uniform Code of Procedure for the Organization of Notional Conventions of The American Legion," the following Standing Rules of the Notional Convention are authorized under Article V, Section 6, of the Notional Constitution of The American Legion:

1. Robert's Revised Rules of Order shall be the authority on parliamentary procedure, with the following modifications:
2. A delegate desiring to make a motion or address the Convention shall rise, address the Chair as "Mr. Commander" and state his name and the name of the Department before proceeding.
3. Debate shall be limited to five minutes for each speaker.
4. Debate on any one subject presented to the Convention shall be limited to two hours except under such special rule as the Convention shall adopt prior to debate.
5. But two delegates from any one delegation shall be permitted the floor on any one question. Where disagreement exists within a delegation, one delegate shall be permitted to speak on each side of the question. Upon a division of the question, however, this rule shall be applied separately for each division.
6. The floor shall be permitted but once to any individual delegate on any one question, except by a two-thirds vote of the Convention. Chairmen of Convention Committees may speak as frequently as may be necessary in connection with the reports of their committees. The Presiding Officer shall not entertain any motion which will curtail further debate without affording the Committee Chairman an opportunity for rebuttal.
7. Decisions on Rules of Debate or parliamentary order by the Presiding Officer may be subject to appeal by any two delegates under a Point of Order. Such appeal shall take precedence over any pending questions and shall be decided forthwith. An appeal from the decision of the Chair shall be put to the Convention on the question: "Shall the Chair be sustained?"
8. When the poll of any Department Delegation is demanded by a delegate of such Department, the Convention Secretary shall poll the vote without discussion of the question being voted upon.
9. On the Roll Calls, the delegation Chairman shall poll his delegation on the floor and announce its vote.
10. In the event a delegation secretary is not an accredited delegate or alternate, he shall be seated with his delegation.
11. Past National Commanders' votes shall be cast with their delegations.
12. Only accredited delegates or their alternates shall participate, directly or indirectly, in a viva voce vote on any subject before the Convention.
13. Department delegations may arrive at a vote in such manner as they choose, but shall announce it in terms of full units and not in terms of a fractional part of a vote. The vote of any delegate absent and not represented by an alternate shall be cast by the majority of the delegates present from his Department.
14. There shall be no unit rule of voting.
15. Voting shall be by acclamation, except when a Roll Call is demanded by the Chairmen of at least three Departments. Election of National Officers shall be by roll call.
16. In the event a Department has not provided the method by which alternates shall be designated to serve in the place of absent delegates, the Chairman of the delegation shall make such designation.
17. Prior to the election of National Officers, the National Commander shall appoint, subject to approval of the Convention, a Judge of Election and such number of tellers as he deems necessary, provided that the total tellers so appointed shall be an odd number. In a contested election each candidate going to the ballot shall be entitled to one teller of his choice.
18. Nominations for National Officers shall be from the floor on Roll Call of the Departments alphabetically arranged. Each Department may present as many candidates as it chooses.
19. Nomination speeches for National Officers shall be limited to five minutes each. Not more than two seconding speeches shall be made for any candidate, and said speeches shall be limited to three minutes.
20. When more than two candidates are nominated for any office, balloting shall continue until one candidate receives a majority of the votes of the Convention, except in the election of National Vice Commanders.
21. In a contested election for National Vice Commanders, balloting shall continue until (a) majorities and (b) pluralities are established for one or more candidates under the following provisions: If, on any ballot taken, less than five candidates receive the necessary majority to elect, the candidate or candidates receiving a majority vote shall be declared elected and a new ballot shall be taken for the remaining number of places to be filled. The candidate receiving the lowest number of votes on the preceding ballot shall be disqualified; should two candidates remain to fill one place, a new ballot shall be taken.
22. The Convention will nominate and elect a National Commander, and five National Vice Commanders, in this sequence.
23. At the conclusion of balloting on National Vice Commanders, each Department Delegation Chairman shall deliver a written ballot to the tellers. Such ballots shall be in the hands of the tellers before communication is made to the National Commander for announcement of the results.
24. Those recognized by the National Commander shall be entitled to a respectful hearing, and the Chair shall have the authority to clear the gallery or the floor or have the Sergeant-at-Arms escort from the Convention anyone creating a disturbance or interfering with orderly procedure.
25. None of the above rules shall be construed as preventing an alternate delegate from serving on a Convention committee.
26. The consent of two-thirds of the voting strength of the Convention is necessary for suspension of the standing rules of the Convention.
27. Any amendment to any resolution or report originating on the floor shall be presented in writing and transmitted to the Presiding Officer at the time of the introduction of such amendment.
28. Special rules applying to specific issues or order of business shall be written and presented to the Convention by the Legislation and Rules Committee for adoption by majority vote at least one hour before such issue or order is to be considered, unless such rule is agreed to by unanimous consent of the final session. Special rules shall prevail only when the Convention adopts them. Any delegate may apply for a special rule to the Legislation and Rules Committee or may appeal to the Convention for such special rule provided the rule be presented in writing, be read once from the platform, and shall lay upon the table at least one hour before the vote thereon is taken.

Standing Commissions and Committee Meetings

All meetings will be conducted in the Salt Palace Convention Center or the Hilton Salt Lake City Center Hotel.

Aug. 24-27

Resolutions Assignment Committee

Hilton Salt Lake City Center
Meeting Salon III, Lobby Level

Screening Committee Meetings

Friday, Aug. 25

Americanism Screening

Hilton Salt Lake City Center
Granite Boardroom,
Lobby Level

Economic Screening

Hilton Salt Lake City Center
Canyon Room I, 2nd Level

VA&R Screening

Hilton Salt Lake City Center
Executive Boardroom,
Lobby Level

Standing Commissions and Committees

Saturday, Aug. 26

American Legion

Insurance

8:30 a.m.
Hilton Salt Lake City Center
Canyon III, 2nd Level

Americanism and Children & Youth

Joint Meeting, 8:30 a.m.
Hilton Salt Lake City Center
Grand Ballroom C, 2nd Level

Children & Youth

8:30 a.m.
Hilton Salt Lake City Center
Grand Ballroom B, 2nd Level

Constitution & By-laws

8:30 a.m.
Salt Palace
Room 151A, Lower Level

Convention

8 a.m.
Hilton Salt Lake City Center
Meeting Salon I, Lobby Level

Distinguished Guests

9 a.m.
Salt Palace
250A, Upper Level

Economic

8:30 a.m.
Hilton Salt Lake City Center
Alpine Ballroom West,
2nd Level

Emblem

9:15 a.m.
Hilton Salt Lake City Center
Meeting Salon I, Lobby Level
NOTE: Emblem will also meet at 9:30 a.m. Aug. 27, Meeting Salon I, Lobby Level.

Finance

8:30 a.m.
Hilton Salt Lake City Center
Canyon I, 2nd Level

Foreign Relations Joint Meeting With National Security

9 a.m.
Salt Palace
Ballrooms H & J, Lower Level

Foreign Relations

1:30 p.m.
Salt Palace
Ballroom F, Lower Level

Foreign Relations Subcommittees

(Subcommittees will meet immediately following the Joint Session.)

Internal Affairs

8:30 a.m.
Hilton Salt Lake City Center
Grand Ballroom A, 2nd Level

Membership & Post Activities

9 a.m.
Salt Palace
Room 250E, Upper Level

Legislative

9 a.m.
Salt Palace
Room 251A, Upper Level

National Security Joint Meeting With Foreign Relations

9 a.m.
Salt Palace
Ballrooms H & J, Lower Level

National Security Committees

(immediately following Commission Session)

Aerospace

1:30 p.m.
Salt Palace
Room 150D, Lower Level

Homeland Security & Civil Preparedness

1:30 p.m.
Salt Palace
Room 150E

Law and Order

1:30 p.m.
Salt Palace
Room 252A, Upper Level

Merchant Marine

1:30 p.m.
Salt Palace
Room 150F, Lower Level

Military Affairs

1:30 p.m.
Salt Palace
Room 151E, Lower Level

Naval Affairs

1:30 p.m.
Salt Palace
Room 151C, Lower Level

General Security Ad Hoc

1:30 p.m.
Salt Palace
Room 151F, Lower Level

Public Relations

9 a.m.
Salt Palace
Room 250A, Upper Level

The American Legion Magazine

9 a.m.
Salt Palace
Room 250C, Upper Level

Veterans Affairs & Rehabilitation

9 a.m.
Salt Palace
Room 254B, Upper Level

Convention Committees

Sunday, Aug. 27

Americanism

(Including Subcommittees)
8:30 a.m.
Hilton Salt Lake City Center
Alpine East Ballroom,
2nd Level

Children & Youth

9 a.m.
Hilton Salt Lake City Center
Canyon Room II, 2nd Level

Constitutional Amendments

9 a.m.
Hilton Salt Lake City Center
Canyon Room I, 2nd Level

Credentials and Internal Affairs

Credentials and Other Internal Matters

Sections I & II
9 a.m.
Hilton Salt Lake City Center
Room 258, Upper Level

Membership

Section III
9 a.m.
Hilton Salt Lake City Center
Room 259, Upper Level

Economic

(includes Employment, Veterans Preference and other Economic Matters)

9 a.m.
Salt Palace
Room 257, Upper Level

Finance

9 a.m.
Salt Palace
Room 260, Upper Level

Foreign Relations Joint Meeting

8:30 a.m.
Salt Palace
Room 254A-B, Upper Level

Foreign Relations Subcommittees

(Subcommittees will meet immediately following Joint Session.)

Legislation and Rules

10 a.m.
Hilton Salt Lake City Center
Meeting Salon II, Lobby Level

Standing Commissions and Committee Meetings

National Security Joint Meetings

9 a.m.
(includes Aerospace, Homeland Security and Civil Preparedness, Law and Order, Merchant Marine, Military Affairs, and Naval Affairs)
Salt Palace
Ballroom F, Lower Level

National Security Committees

(immediately following Joint Meeting)

9:15 a.m.

Aerospace

Salt Palace
Room 150D, Lower Level

Homeland Security & Civil Preparedness

Salt Palace
Room 150E, Lower Level

Law and Order

Salt Palace
Room 252A, Upper Level

Merchant Marine

Salt Palace
Room 150F, Lower Level

Military Affairs

Salt Palace
Room 151E, Lower Level

Naval Affairs

Salt Palace
Room 151C, Lower Level

General Security Ad Hoc

Salt Palace
Room 151F, Lower Level

General Security (all committees)

Salt Palace
Ballroom F, Lower Level

Veterans Affairs & Rehabilitation – Claims & Rating and Hospitals & Medical Services Joint Meeting

9 a.m.
Convention Center
Room 255A-B, Upper Level
(Hospital & Medical Services will proceed to separate session in Room 254C, Upper Level, and subsequently return

to Joint Session following Subcommittee actions on resolutions)

Monday, Aug. 28

POW/MIA Update

9 a.m.
Salt Palace
Ballrooms H & J, Lower Level

National Convention Sergeant-at-Arms Meeting

8:30 a.m.
Salt Palace
Room 257, Upper Level

Pre-NEC Meeting

9 a.m.
Salt Palace
Rooms 151A - C & G, Lower Level

Other Meetings

Contest Representatives

Aug. 25, 2 p.m.
Room 151G, Lower Level
Salt Palace

SAL Executive Committee

Aug. 25, 3 p.m.
Hall 1, Salt Palace

SAL National Convention

Aug. 25, 5 p.m.
Hall 1, Salt Palace

SAL National Convention

Aug. 26, 8:30 a.m.
Hall 1, Salt Palace

Convention Parade Meeting

Aug. 26, 2 p.m.
Room 151G, Lower Level
Salt Palace

SAL National Convention

Aug. 27, 8:30 a.m.

Post-NEC Meeting

1 p.m. – 2 p.m.
Hall 1, Salt Palace

Patriotic Memorial Service

Aug. 27, 10:30 a.m.
Conference Center at Church of Jesus Christ of Latter-Day Saints Compound

National Convention Parade

Aug. 27, 4 p.m.

Post-NEC Meeting

(immediately following adjournment of Convention)

Aug. 31
Rooms 151A – C & G, Lower Level
Salt Palace

2006 Reunions, Receptions and Dinners

Friday, Aug. 25

Ye Steivos Reception

5:30 p.m. – 7 p.m.
Meeting Salon II, Lobby Level
Hilton Salt Lake City Center

Saturday, Aug. 26

National Historians Luncheon

11:30 a.m. – 1:30 p.m.
Alpine Ballroom East, 2nd Level
Hilton Salt Lake City Center

Finance Commission Luncheon

11:30 a.m. – 1:30 p.m.
Canyon Room II, 2nd Level
Hilton Salt Lake City Center

Sunday, Aug. 27

ANAVICUS Breakfast

7 a.m. – 9 a.m.
Grand Ballroom A – D, Lower Level
Salt Palace

Monday, Aug. 28

Past National Commanders' Wives Luncheon

11:30 a.m. – 1:30 p.m.
Canyon Room III, 2nd Level
Hilton Salt Lake City Center

Past Department Commanders Club Luncheon

Noon – 2 p.m.
Grand Ballroom C, 2nd Level
Hilton Salt Lake City Center

Past National Vice Commanders Club

6 p.m. – 9 p.m.
South Salt Lake Post 112

Tuesday, Aug. 29

National Commander's Banquet

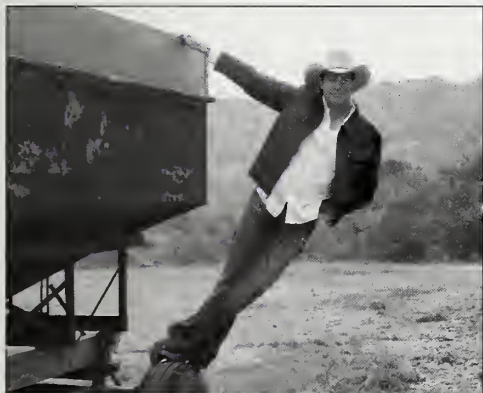
6:30 p.m. – 10 p.m.
Grand Ballroom, Lower Level
Salt Palace

Wednesday, Aug. 30

American Legion Auxiliary All-States Dinner

7 p.m. – 10 p.m.
Grand Ballroom, Lower Level
Salt Palace

Michael Peterson



Rising country music star Michael Peterson will entertain guests at the National Commander's Banquet on Aug. 29.

Peterson burst onto the country music scene in 1997 with his self-titled debut album on Reprise Records. It boasted five Top 20 hits, including three Top 5 singles. On the strength of No. 1 songs like "Drink, Swear, Steal & Lie" and "From Here To Eternity," Peterson became *Billboard* magazine's genre's top new airplay artist and the top-selling new male artist for 1997 and 1998, selling more than 1 million albums.

After switching record labels in 2002, Peterson

returned to the charts in 2004 with the release of his Sony album "Modern Man" on AGR/Universal. He landed six songs in the top 40, and achieved his first No. 1 European single, "No More Looking Over My Shoulder."

An award-winning artist for nearly a decade, Peterson was nominated for the Country Music Association's prestigious "Horizon" award as well as the Academy of Country Music's top new male vocalist. A fan favorite, he was voted "Male Star of Tomorrow" at the TNN Music City News Awards and *Country Weekly* magazine's "Top New Male." Peterson even guest-starred on the hit TV show "Walker, Texas Ranger." With tours in the United States, Japan, South Korea, Russia, Germany, England, France, Canada and Switzerland, he is an artist with proven worldwide appeal.

Backed by the support of the New Holland Corp., Peterson has spent most of the past year at the invitation of the Army Vice Chief of Staff Gen. Richard Cody developing a program called "Harvesting Great Americans." This exciting initiative was born out of a joint commitment by New Holland and the U.S. Army to strengthen the United States by building bridges via community events that invest in America's youth, centered on the theme "Call to Duty."

Peterson is a devoted supporter of our nation's military personnel and their families. In 2005, he made numerous military-related appearances. As a featured performer in the chairman of the Joint Chiefs of Staff's holiday visit to the Middle East, sponsored by the USO, he visited 11 countries in seven days for some 7,000 U.S. servicemen and women. He was instrumental in the National Christmas Tree Association's "Trees For Troops" program, which provides free trees for military families. He performed a show-stopping set at the 230th Army Birthday Ball in Washington. Finally, he performed at the 2005 Army-Navy Game, broadcast on CBS to 170 countries around the world (the largest viewing audience for any college football game in 2005).

Peterson's new studio album will be released this summer.

In addition to performing at the National Commander's Banquet on Aug. 29, Michael Peterson will appear earlier that day at the opening ceremony of The American Legion National Convention. In addition to performing the National Anthem, he will be featured during the opening hour's tributes and presentations.



Helping children in need of life-saving transplants

Join COTA Saturday September 23, 2006, in a national, one-day activity organized by individuals and groups to help raise awareness and funds for children who need a life-saving transplant.

The project's goal is that no child will ever be denied the opportunity for a fulfilling life due to a lack of medical coverage and funds.

Visit www.cota.org for an event registration form and ideas to get you started on planning a COTA Saturday event in your community.

The Children's Organ Transplant Association will provide materials at no cost and support to all COTA Saturday volunteers.

MAIL To: Rick Lofgren, President
Children's Organ Transplant Association
2501 COTA Drive, Bloomington, IN 47403
800.366.2682 www.cota.org
e-mail: cota@cota.org



The COTA Saturday program is sponsored in part by grants from The American Legion Child Welfare Foundation and the Darrell R. Windle Charitable Fund. © 2006

-
- YES! I want to assist my fellow Americans by:**
- ☐ Participating in COTA Saturday.
 - ☐ Distributing donor registration cards. Quantity ____.
 - ☐ Helping children in our area. Please contact me.
 - ☐ Contacting middle and high schools in my area.

.....

Name _____

Address _____

City _____ State _____ ZIP _____

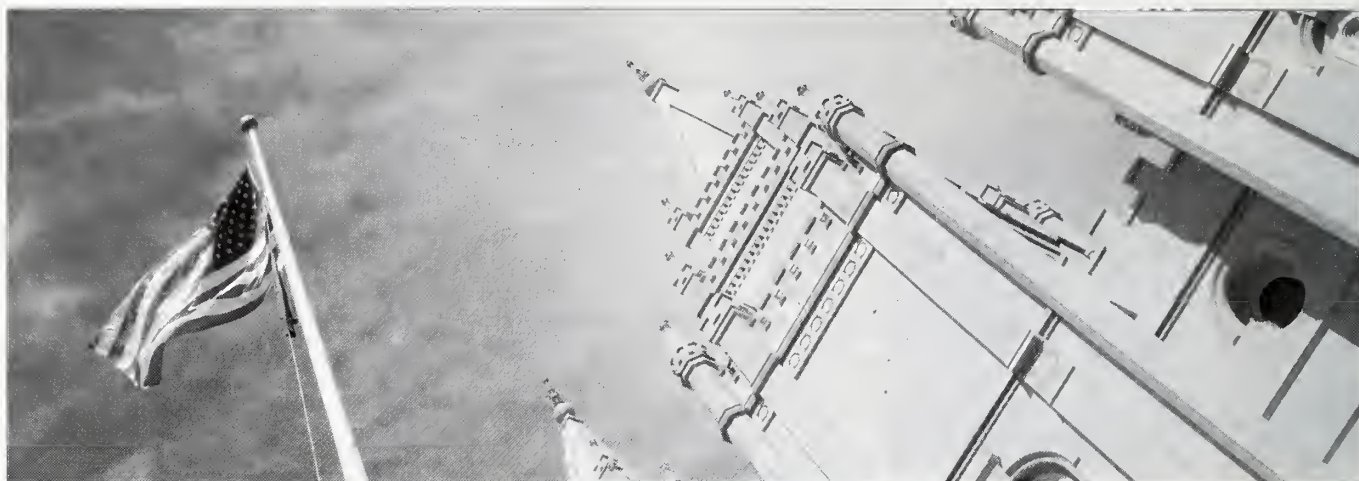
Post Name _____ County _____

Contact Phone _____ Post Phone _____

E-mail _____

- ☐ Please place me on your mailing list.
-

Agenda of the 88th National Convention of The American Legion



**Salt Palace Convention Center
Halls A-B, Lower Level
Salt Lake City, Utah
Aug. 29-31, 2006**

TUESDAY, AUG. 29

8:30 a.m.

Prelude

Peter Ole
Organist

9 a.m.

Call To Order

Thomas L. Bock
*National Commander
Colorado*

Advancement Of Colors

2nd District Color Guard
The American Legion of Indiana
Portage, Ind.

National Anthem

Michael Peterson
Nashville, Tenn.

Invocation

Steven E. Wright
*National Chaplain
Utah*

Pledge of Allegiance

POW/MIA Empty Chair Ceremony

Michael D. Helm
*Chairman, Foreign Relations
Nebraska*

Doc Simon

*Vice Chairman, Foreign Relations
Vermont*

Preamble To The American Legion Constitution

Thomas L. Bock
*National Commander
Colorado*

9:15 a.m.

Opening

The American Legion Youth Champions

2006 Boys Nation President

John M. Taylor
Palm Bay, Florida

2006 Eagle Scout of the Year

Nicholas Coury
Glendale, Ariz.

2006 1st Place Winner National Oratorical Contest

Nicholas Elledge
Knoxville, Tenn.

2005 Baseball Player of the Year

Jose Fernando Irizarry Montero
Guaynabo, Puerto Rico

Presentation of Spirit of Service Awards

By Thomas L. Bock
*National Commander
Colorado*

The Hon. Donald H. Rumsfeld
Secretary, Department of Defense

U.S. Army

Sgt. Renee Kraus

U.S. Navy

HM2 Dempsey L. Tomblin

U.S. Marine Corps

Sgt. Kristianna M. Huntington

U.S. Coast Guard

YN2 Katie S. Anthony

U.S. Air Force

SrA Edward J. Slavik
Accepting: MSgt John Prato

Michael Peterson Tribute

10 a.m.

Address

The Hon. Donald H. Rumsfeld
Secretary, Department of Defense

10:20 a.m.

Introduction

Carol Van Kirk
*National President
American Legion Auxiliary
Nebraska*

10:30 a.m.

Welcome

The Hon. Robert F. Bennett
U.S. Senate

The Hon. Jon Huntsman Jr.
Governor of Utah

The Hon. Jim Matheson
U.S. House of Representatives

The Hon. Rob Bishop
U.S. House of Representatives

The Hon. Peter Corroon
Mayor of Salt Lake County

Thad S. Jensen
*Department Commander
Utah*

William E. Christoffersen

President

The American Legion

National Convention Corp. of Utah

11:50 a.m.

Special Presentation

By Thomas L. Bock
*National Commander
Colorado*

To The Hon. Orrin G. Hatch
U.S. Senate

The Hon. Bill Frist
U.S. Senate

The Hon. Dianne Feinstein
U.S. Senate

12:30 p.m.

Call for Convention

Robert W. Spanogle
*National Adjutant
Michigan*

12:40 p.m.

Certificate of Appreciation

By Thomas L. Bock
*National Commander
Colorado*

To Steven E. Wright
*National Chaplain
Utah*

12:45 p.m.

Introduction

Sons of The American Legion Newly
Elected National Commander

12:50 p.m.

Greetings

Kenneth Henderson
*Dominion President
Army, Navy and Air Force Veterans
in Canada*

Agenda of the 88th National Convention of The American Legion

Gen. Kao, Hua-chu (Ret.),
Minister
Veterans Affairs Commission
Republic of China

Gen. Kim, Hong-Rae (Ret.)
Vice Chairman
The Korean Veterans Association

Erl Kish
Vice President
The Royal Canadian Legion

1:30 p.m.

Address

Roberta Combs
President
Christian Coalition

1:45 p.m.

Report of Credentials & Internal Affairs – Section 1

2:05 p.m.

Report of Legislation and Rules

2:25 p.m.

Special Report

Flag Amendment Campaign
Maj. Gen. Patrick H. Brady (Ret.)
Chairman of the Board
Citizens Flag Alliance, Inc.

2:35 p.m.

Special Presentation

3 p.m.

Presentation – The American Legion Distinguished Service Award

By Thomas L. Bock
National Commander
Colorado

To Maj. Gen. Patrick H. Brady, U.S. Army (Ret.)
Congressional Medal of Honor
Recipient

Chairman of the Board
Citizens Flag Alliance

3:20 p.m.

Report of Finance

RECESS

NOTE: Times of subsequent sessions and times of Convention Committee Reports are subject to change by the chair.

WEDNESDAY, AUG. 30

8:30 a.m.

Prelude

9 a.m.

Call to Order

Thomas L. Bock
National Commander
Colorado

Salute to Colors

Invocation

Steven E. Wright
National Chaplain
Utah

Pledge of Allegiance

9:05 a.m.

Address

Jim Hall
CEO
Children's Miracle Network

9:25 a.m.

Address

Lt. Gen. Hal Moore
Joe Galloway
National Museum of the U.S. Army

9:40 a.m.

Address

Nathan E. White
National Society of the Sons of The American Revolution

9:55 a.m.

Address

The Hon. R. James Nicholson
Secretary, Department of Veterans Affairs

10:15 a.m.

Address

The Hon. Lane Evans
U.S. House of Representatives

10:30 a.m.

National Commander's Report to Convention

Thomas L. Bock
National Commander
Colorado

10:50 a.m.

Presentation of Plaque to the City of Honolulu, Hawaii, for the 2005 National Convention

By Thomas P. Cadmus
Past National Commander
Michigan

Accepting: President, The American Legion National Convention Corp. of Hawaii

10:55 a.m.

Report of Credentials & Internal Affairs – Membership

11 a.m.

Department Membership Awards

11:30 a.m.

Report of Economics Employment and Veterans Preference Other Economic Matters

11:50 a.m.

Presentation – Employer of the Year Awards for Hiring Veterans

By Thomas L. Bock
National Commander
Colorado

To Robert J. Albert

Owner
Robert J. Albert Printing Service
Clearwater, Fla.

To Robert A. Carpenter

Project Manager
ITS Medical Systems, LLC
Duluth, Ga.

To Albert H. Wesselmann,

Chief Operating Officer
ITS Medical Systems, LLC
Duluth, Ga.

To Steve Kressin

Human Resources Director
Alutiiq-Wackenhut Security Services
Fort Bragg, N.C.

Presentation – American Legion Local Veterans Employee Representative Of The Year Award

By Thomas L. Bock
National Commander
Colorado

To Walter A. Pollock Jr.
Columbus, Ga.

Presentation – Disabled Veterans Outreach Program of the Year Award

By Thomas L. Bock
National Commander
Colorado

To Jerry Roehl,
Boise, Idaho

Presentation – Employment Service Office of the Year

By Thomas L. Bock
National Commander
Colorado

To Samuel L. Denson,
Escarosa Career Center Veterans Programs
Pensacola, Fla.

Presentation – Homeless Veterans Outreach Award

By Thomas L. Bock
National Commander
Colorado

To Kent Phelps,
Homeless Veterans Task Force
Chairman
Blackfoot, Idaho

12:50 p.m.

Report of Americanism

The Frank N. Belgrano Jr., Trophy The Ralph T. O'Neil Education Trophy

By Thomas L. Bock
National Commander
Colorado

1:05 p.m.

Presentation – William Randolph Hearst Americanism Trophy

By W. Lawrence Walker Jr.
Chairman
San Antonio Express-News

To Winning Department

1:10 p.m.

Presentation – 2006 National Law Enforcement Officer of the Year

By Thomas L. Bock
National Commander
Colorado

To Police Officer Charles M. Roessler
Milwaukee Police Department

1:15 p.m.

Report of Children & Youth

Presentation of Garland Murphy Award and Legacy Award

By Thomas L. Bock
National Commander
Colorado

1:30 p.m.

Report of Veterans Affairs & Rehabilitation

Agenda of the 88th National Convention of The American Legion

Claims and Rating Hospitals and Medical Services

Announcement of Winning Department – William F. Lenker National Service Trophy

By Thomas L. Bock
National Commander
Colorado

1:50 p.m. Report of Credentials & Internal Affairs – Section 2

2:05 p.m. Report of Constitutional Amendments

Salute to Colors

RECESS

*NOTE: Times of subsequent sessions
and times of Convention Committee
Reports are subject to change by the
Chair.*

THURSDAY, AUG. 31

9 a.m.

Call To Order
Thomas L. Bock
National Commander
Colorado

Salute to Colors

Invocation
Steven E. Wright
National Chaplain
Utah

Pledge of Allegiance

9:05 a.m. Presentation – The American Legion Fourth Estate Award

By Thomas L. Bock
National Commander
Colorado

To Ben Jones
Chief, Madison Bureau
The Post-Crescent
Appleton, Wis.

9:10 a.m. Report of Foreign Relations

9:35 a.m.

Report of National Security

Aerospace
Homeland Security and Civil
Preparedness
Law & Order
Merchant Marine
Military Affairs
Naval Affairs

10 a.m. Presentation of Plaque and Colors to Outgoing National Commander

Colors
By Daniel A. Ludwig
Past National Commander

Plaque
By John H. Geiger
Past National Commander

Noon
(or at the conclusion of all other
business, whichever first occurs)

Special Order of Business Election of National Officers National Commander

Administering the Oath of Office to the National Commander

Acceptance Speech By Newly Elected National Commander

Election of National Officers Five (5) National Vice Commanders

Presentation of Colors to Newly Elected National Commander

Response By Newly Elected National Commander

Presentation of Newly Elected National President of The American Legion Auxiliary

Unfinished Business

Benediction

Retirement of Colors

*NOTE: The National Executive
Committee will meet within
twenty-four (24) hours after close of
the convention.*

Distinguished Guests of the 2006 National Convention

*Highlighted text indicates guests who
are scheduled to give presentations at
the national convention.*

Verlin L. Abbott
Vice President/RCI
Cendant Corp.
Carmel, Ind.

Kevin Adamson
Vice President
Marsh Affinity Group Services
Washington, D.C.

Tom Aiello
Vice President of Marketing
Military Advantage
Chicago

Darrin W. Allen
Youth Development Coordinator
USDA/Army Youth Development
Project
Headquarters, Installation
Management Agency
Arlington, Va.

Robert J. Anderlik
Merchant National Accounts
Manager
Stora Enso North America
Des Plaines, Ill.

Tamara Sloan-Anderson
Director of Program and Development
The American Pain Foundation
Ashfield, Mass.

John Andretti
 Mooresville, N.C.

YN2 Katie S. Anthony
U.S. Coast Guard
Traverse City, Mich.

Joe Ascanio
Director
nuTravel Technology Solutions, LLC
Port Chester, N.Y.

**Steven and Kristi Attarian &
Dominique**
Cedar Edge, Colo.

Annette Aulton
Public Affairs Office

U.S. Department of State
Washington, D.C.

Ronald Aument
Deputy Under Secretary for Benefits
Department of Veterans Affairs
Washington, D.C.

Lt. Amber Balken, USAR
75th Air Base Wing Public Affairs
Hill Air Force Base, Utah

Richard Ballard
President
The Seven Co.
Alpharetta, Ga.

Laura Balun
Director, Voluntary Services
Department of Veterans Affairs
Washington, D.C.

Hon. Rob Bishop
U.S. House of Representatives

Lawrence A. Biro
Network Director
VA Rocky Mountain Network
Glendale, Colo.

Walter G. Blackwell
President and CEO
The Veterans Corp.
Washington, D.C.

Capt. & Mrs. Adam Bock
Mornsville, N.C.

Jim Bombard
Chief, Bureau of Veterans Education
Division of Veterans Affairs
New York

Maj. Gen. Patrick Brady (Ret.)
Chairman of the Board
Citizens Flag Alliance
Sumner, Wash.

LTC Mark Brown
U.S. Air Force
JPAC Command
Honolulu

Robert A. Carpenter
Project Manager
ITS Medical Systems, LLC
Duluth, Ga.

Distinguished Guests of the 2006 National Convention

Frank H. Carr

National Recruiter of the Year
The American Legion
Halifax, Va.

Louis Celli

President and CEO
Northeast Veterans Business
Resource Center
Boston

Col. Jill Chambers

Director of Protocol
Office of the Chief of the Joint Chiefs
of Staff
Springfield, Va.

Hon. William A. Chatfield

Director, Selective Service System
Arlington, Va.

William E. Christoffersen

President
The American Legion National
Convention Corp. of Utah
Salt Lake City

Hon. Charles Ciccolella

Assistant Secretary
Veterans Employment and Training
U. S. Department of Labor
Washington, D.C.

Audrey Clarke

Lead Donations Officer
Warren, Mich.

Roberta Combs

President
Christian Coalition
Washington, D.C.

Dennis Connaughton

General Manager
James G. Elliott Co.
New York

CDR David A. Copp

*Office of the Chief of Navy
Information*
Department of the Navy
Washington, D.C.

Hon. Peter M. Corroon

Mayor of Salt Lake County
Salt Lake City

Nicholas Coury

2006 Eagle Scout of the Year
Glendale, Ariz.

Jo Ann Cronin

National Vice President
American Legion Auxiliary
Imperial, Mo.

Hon. Greg J. Curtis

State Representative
Salt Lake City

Robert F. Cutler

Clearwater, Fla.

Kenneth D. Danilson

*National Commander's Advisory
Committee*
Woodward, Iowa

Frank Delgado

Military Severely Injured Center
Pentagon Detachment
Arlington, Va.

Samuel L. Denson

*Disabled Veterans Outreach Program
Specialist*
Escarosa Career Center Veterans
Program
Pensacola, Fla.

Anne Dwane

Military Advantage, Inc.
San Francisco

Nicholas Elledge

*2006 High School Oratorical
Champion*
Knoxville, Tenn.

William Elmore

Assistant Administrator
Office of Veterans Business
Small Business Administration
Washington, D.C.

Hon. Lane Evans

U.S. House of Representatives
Washington, D.C.

David Evans

*Office of the Assistant Secretary
of Defense — Public Affairs*
Washington, D.C.

Steve Fecko

Senior Vice President
SIRVA
Pinceton Junction, N.J.

Brig. Gen. Michael C. Flowers

U.S. Army
JPAC Commander
Honolulu

Matthew F. Fussa, Esq.

Maupin Taylor, P.A.
Raleigh, N.C.

Joe Galloway

The Army Historical Foundation
Arlington, Va.

Pamela Gilley

National Secretary
American Legion Auxiliary
Indianapolis

Mike Goodwin

Regional Manager
Wackenhut Security Services
Chesapeake, Va.

Joe Green

Division Manager
SAIC
Huntsville, Ala.

Mark Gross

President and CEO
Oak Grove Technologies
Raleigh, N.C.

Ellis and Amy Grubb & Sophia

Aurora, Colo.

Jim Hall

CEO
Children's Miracle Network
Salt Lake City

Jeff Hall

President
The Jeffrey J. Hall Co.
East Liberty, Ohio

Stephanie Hart

EyeMed Vision Care
Mason, Ohio

Greg Hauser

Mercer Health & Benefits
Omaha, Neb.

Teresa Hayes

*Local Veterans Employment
Representative*
Escarosa Career Center Veterans
Program
Pensacola, Fla.

Marta Hedding

National Treasurer
American Legion Auxiliary
Indianapolis

Jerry L. Hedrick

*National Commander's Advisory
Committee*
Lexington, N.C.

Bruce Henderson

TrueNorth Companies
Indianapolis

Ray Hendrix

*National Commander's Advisory
Committee*
Statesboro, Ga.

Maj. Gen. John P. Herrling, USA (Ret.)

The Army Historical Foundation
Arlington, Va.

Ronald Horne

*DoD Transition Assistance
Program Manager*
ODUSD (MC&FP)
Arlington, Va.

Hon. Gregory H. Hughes

State Representative

Greg Hull

Sales Executive
Bulkley Dunton Publishing Group
Dayton, Ohio

Sgt. Kristianna M. Huntington

U. S. Marine Corps
Chemical Biological Incident Response
Force
Indian Head, Md.

Hon. Jon Huntsman Jr.

Governor of the State of Utah
Utah State Capitol Complex
Salt Lake City

1Lt. James Ivey, USAF

JPAC Command
Honolulu

Thad S. Jensen

2005-2006 Department Commander
The American Legion of Utah
Spanish Fork, Utah

Eugene Johnson

Vice President, Sales, Magazines
RR Donnelley & Sons
Downers Grove, Ill.

Jack & Debbie Johnson

Team Johnson Motorsports
Mooresville, N.C.

Jerick and Tammy Johnson

Team Johnson Motorsports
Mooresville, N.C.

Ben Jones

Madison Bureau Chief
The Post-Crescent
Appleton, Wis.

Distinguished Guests of the 2006 National Convention

Cmdr. Dave Julian, USN

*Director, Military Severely Injured Center
Arlington, Va.*

Gen. Kao, Hua-chu (Ret.)

*Minister, Veterans Affairs
Commission
Republic of China*

Belinda Karabatsos

*Utah Department of Veterans Affairs
Salt Lake City*

Mrs. Genevieve Keller

Bourbonnais, Ill.

Dr. Michael Kilpatrick

*Deputy Director
Deployment Health Support
Directorate
Falls Church, Va.*

Gen. Kim, Hong-Rae (Ret.)

*Vice Chairman
The Korean Veterans Association*

Scott J. Kingan

*Senior Sales Representative
RR Donnelley & Sons
Downers Grove, Ill.*

Erl Kish

*Vice President
The Royal Canadian Legion*

Sgt. Penee Kraus

*U. S. Army
Fort Meyer, Va.*

Steven P. Kressin

*Human Resources Director
Alutiiq-Wackenhut Security Services
Fort Bragg, N.C.*

Mark Krikorian

*Executive Director
Center for Immigration Studies
Washington, D.C.*

Col. Liao, Pen-pao (Ret.)

Veterans Affairs Commission

Carol Lindamood

*The Army Historical Foundation
Arlington, Va.*

Col. Scott Lloyd, U.S. Army

*Director, Freedom Team Salute Program
Office of the Assistant Secretary of the Army
Arlington, Va.*

Richard Lofgren

*President & CEO
Children's Organ Transplant Association
Bloomington, Ind.*

Regina Mack-Abney

*Deputy Director
VHA Women Veterans Health Program
Department of Veterans Affairs
Washington, D.C.*

Joan Marshall

Castle Rock, Colo.

Ken Marshall

Atoka, Tenn.

Hon. Steve Mascaro

*State Representative
West Jordan, Utah*

Mike Materasso

*nuTravel Technology Solutions, LLC
Port Chester, N.Y.*

Hon. Jim Matheson

U.S. House of Representatives

Hon. Ed Mayne

*State Senator
West Valley City, Utah*

Dan & Shari McEachrin

Aurora, Colo.

Andy Mento

*Moving Solutions
Greensburg, Pa.*

Christopher Michel

*Military Advantage, Inc.
San Francisco*

Lt.(j.g.) Anthony Migliorini

*Headquarters, U.S. Coast Guard
Washington, D.C.*

Loren Miller

*VARO
Salt Lake City*

Jose Fernando Irizarry

Montero
*2005 Baseball Player of the Year
Guaynabo, Puerto Rico*

LTG Hal Moore (Ret.)

*U.S. Army
The Army Historical Foundation
Arlington, Va.*

Jill Mueller

*Community Relations Team
Department of the Army Public Affairs
Washington, D.C.*

Hon. Jim Nicholson

*Secretary
Department of Veterans Affairs
Washington, D.C.*

Amy O'Brien

*Office of the Assistant Secretary of the Army
Arlington, Va.*

Brian O'Hearne

*National Adjutant
Sons of The American Legion
Buzzards Bay, Mass.*

Maj. Park, Rae-Hyuk (Ret.)

*Chief of International Affairs Division
The Korean Veterans Association
Songpa-gu, Seoul*

Steve Patterson

*Executive Vice President
Mercy Medical Airlift
Virginia Beach, Va.*

Vince Patton

*Military Advantage, Inc.
McLean, Va.*

Richard M. Pedro

*National Commander's Advisory Committee
Owego, N.Y.*

Kent Phelps

*Chairman
Veterans Task Force
Blackfoot, Idaho*

R. Allen Pittman

*Office of Human Resources and Administration
Department of Veterans Affairs
Washington, D.C.*

Walter A. Pollock Jr.

*Local Veterans Employment Representative
Columbus, Ga.*

Dan Pontius

*Children's Miracle Network
Salt Lake City*

James N. Randall

*COO/Executive Director
The National Society of the Sons of the American Revolution
Louisville, Ky.*

Jerome "Jerry" Roehl

*Disabled Veterans Outreach Program Specialist
Idaho Commerce and Labor
Boise, Idaho*

Charles M. Roessler

*National Law Enforcement Officer of the Year
Milwaukee Police Department*

Mr. & Mrs. Joseph Ross

Erie, Colo.

Earnest N. Schmit

*Past National Adjutant
Bismarck, N.D.*

David W. Shidler

*Account Executive
Marsh Affinity Group Services
West Des Moines, Iowa*

Dr. Barbara Sigford

*VHA National Program Director
Physical Medicine and Rehabilitation
Department of Veterans Affairs
Washington, D.C.*

Leonard Sistek Jr.

*Minority Staff Director
House Veterans Affairs Committee
Washington, D.C.*

SrA Edward J. Slavik

*U. S. Air Force
Charleston Air Force Base, S.C.*

James H. Smith

*Vice President of Operations
Mercy Medical Airlift
Virginia Beach, Va.*

Hans Song

*Director
Overseas Liaison Department
Veterans Affairs Commission*

George Sparks

*Associate Director
Boy Scouts of America
Irving, Texas*

William L. Sparwasser

*National Commander
Sons of The American Legion
Salisbury, Md.*

Susan Sturm

*TrueNorth Companies
Indianapolis*

Katia Suero

*Client Association Manager
nuTravel Technology Solutions, LLC
Port Chester, N.Y.*

Maj. Gen. Brian L. Tarbet

Adjutant General
Utah National Guard Headquarters
Draper, Utah

John M. Taylor

Boys Nation President
Palm Bay, Florida

HM2 Dempsey L. Tomblin

United States Navy
Hemet, CA

Margaret E. Van Dyk

President
S.A. Van Dyk, Inc.
Oak Brook, Ill.

Carol Van Kirk

National President
American Legion Auxiliary
Sutton, Neb.

Douglas Wadsworth

VARO
Salt Lake City

W. Lawrence Walker Jr.

Chairman
San Antonio Express-News
San Antonio

Richard Wannemacher

*Acting Deputy Under Secretary for
Memorial Affairs*
Department of Veterans Affairs
Washington, D.C.

James D. Weiskopf

Vice President, Communications
Fisher House Foundation, Inc.
Rockville, Md.

Albert H. Wesselmann

Chief Operating Officer
ITS Medical Systems, LLC
Duluth, Ga.

Peter Wheeler

Commissioner
Department of Veterans Service
Atlanta

Nathan E. White Jr.

President General
The National Society of the Sons of
the American Revolution
Louisville, Ky.

James G. Wright

Division Vice President
EyeMed Vision Care
Twinsburg, Ohio

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**Congratulates
The American Legion
on 88 years
of service.**

2006 National Convention Officials

2006 National Convention Commission



Jeffrey L. Olson
Chairman



Michael E. Walton
Vice Chairman



William H. Hicks
National Commander's Representative



John R. Eckhoff
Consultant



Robert F. Cutler
Consultant



William R. Kearsing Jr.



Earnest N. Schmit



William E. Anderson



Charles W. Parnell



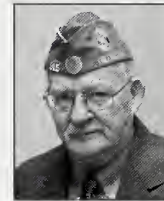
William F. Rochford



Leonard B. Zimmerman



Roger P. Mathison



Charles F. Wessinger



Dr. Almo J. Sebastianelli



Glenn R. Green



John D. Morris



Charles R. Knox
Advisory Board



Lionel Motta



Jerry L. Hedrick
NEC Liaison, Chairman



Randall Coffman



Alfred Schmidt
NEC Liaison



Richard Hanni
NEC Liaison



Ronald Cherry
NEC Liaison

2006 National Convention Corp.



Bill Christoffersen
President



Terry Schow
Vice President



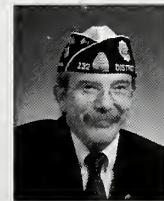
Dana Meier
Treasurer



Greg Rowley
Secretary



Lance Vanderhoof
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Todd Atkin
Board Member



Thad Jensen
Board Member



Gary Schwartz
Board Member



Allan Setterberg
Board Member



Bob Jones
Sons of The American Legion



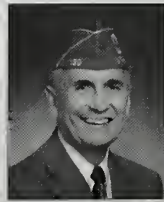
Judy Daybell
Auxiliary Choir



Bob Frank
Parade Choir



Darrell Loveland
Bodges & Pockets



Steve Wright
Memorial Service Choir



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80	8.0%	80/83	7.2%
90+	11.3%	90/93	9.8%

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Email _____ Phone _____

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CHA9

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The American Legion Honor Roll of Service

Past National Commanders 1919-2005

Franklin D'Olier† <i>Pennsylvania</i> 1919-20	Harry W. Colmery† <i>Kansas</i> 1936-37	Seaborn P. Collins† <i>New Mexico</i> 1954-55	Joe L. Matthews <i>Texas</i> 1972-73	Robert S. Turner <i>Georgia</i> 1990-91
Frederic W. Galbraith Jr.* <i>Ohio</i> 1920-21	Daniel J. Doherty† <i>Massachusetts</i> 1937-38	J. Addington Wagner† <i>Michigan</i> 1955-56	Robert E.L. Eaton† <i>Maryland</i> 1973-74	Dominic D. DiFrancesco <i>Pennsylvania</i> 1991-92
John G. Emery** <i>Michigan</i> 1921	Stephen F. Chadwick† <i>Washington</i> 1938-39	Dan Daniel† <i>Virginia</i> 1956-57	James M. Wagon seller† <i>Ohio</i> 1974-75	Roger A. Munson† <i>Ohio</i> 1992-93
Hanford MacNider† <i>Iowa</i> 1921-22	Raymond J. Kelly† <i>Michigan</i> 1939-40	John S. Gleason Jr.† <i>Illinois</i> 1957-58	Harry G. Wiles† <i>Kansas</i> 1975-76	Bruce Thiesen <i>California</i> 1993-94
Alvin M. Owsley† <i>Texas</i> 1922-23	Milo J. Warner† <i>Ohio</i> 1940-41	Preston J. Moore <i>Oklahoma</i> 1958-59	William J. Rogers <i>Maine</i> 1976-77	William M. Detweiler <i>Louisiana</i> 1994-95
John R. Quinn† <i>California</i> 1923-24	Lynn U. Stambaugh† <i>North Dakota</i> 1941-42	Martin B. McKneally† <i>New York</i> 1959-60	Robert Charles Smith† <i>Louisiana</i> 1977-78	Daniel A. Ludwig <i>Minnesota</i> 1995-96
James A. Drain† <i>District of Columbia</i> 1924-25	Roane Waring† <i>Tennessee</i> 1942-43	William R. Burke† <i>California</i> 1960-61	John M. Carey <i>Michigan</i> 1978-79	Joseph J. Frank <i>Missouri</i> 1996-97
John R. McQuigg† <i>Ohio</i> 1925-26	Warren H. Atherton† <i>California</i> 1943-44	Charles L. Bacon† <i>Missouri</i> 1961-62	Frank I. Hamilton† <i>Indiana</i> 1979-80	Anthony G. Jordan <i>Maine</i> 1997-98
Howard P. Savage† <i>Illinois</i> 1926-27	Edward N. Scheiberling† <i>New York</i> 1944-45	James E. Powers† <i>Georgia</i> 1962-63	Michael J. Kogutak <i>New York</i> 1980-81	Butch L. Miller <i>Virginia</i> 1998-99
Edward E. Spafford† <i>New York</i> 1927-28	John Stelle† <i>Illinois</i> 1945-46	Hon. Daniel F. Foley† <i>Minnesota</i> 1963-64	Jack W. Flynt† <i>Texas</i> 1981-82	Alan G. Lance Sr. <i>Idaho</i> 1999-00
Paul V. McNutt† <i>Indiana</i> 1928-29	Paul H. Griffith† <i>Pennsylvania</i> 1946-47	Donald E. Johnson† <i>Iowa</i> 1964-65	Al Keller Jr.† <i>Illinois</i> 1982-83	Ray G. Smith <i>North Carolina</i> 2000-01
O. Lee Bodenhamer† <i>Arkansas</i> 1929-30	James F. O'Neil† <i>New Hampshire</i> 1947-48	L. Eldon James† <i>Virginia</i> 1965-66	Keith Kreul <i>Wisconsin</i> 1983-84	Richard J. Santos <i>Maryland</i> 2001-02
Ralph T. O'Neill† <i>Kansas</i> 1930-31	Perry Brown† <i>Texas</i> 1948-49	John E. Davis† <i>North Dakota</i> 1966-67	Clarence M. Bacon <i>Maryland</i> 1984-85	Ronald F. Conley <i>Pennsylvania</i> 2002-03
Henry L. Stevens Jr.† <i>North Carolina</i> 1931-32	George N. Craig† <i>Indiana</i> 1949-50	William E. Galbraith <i>Nebraska</i> 1967-68	Dale L. Renaud† <i>Iowa</i> 1985-86	John A. Brieden III <i>Texas</i> 2003-04
Louis A. Johnson† <i>West Virginia</i> 1932-33	Erle Cocke Jr.† <i>Georgia</i> 1950-51	William C. Doyle† <i>New Jersey</i> 1968-69	James P. Dean <i>Mississippi</i> 1986-87	Thomas P. Cadmus <i>Michigan</i> 2004-05
Edward A. Hayes† <i>Illinois</i> 1933-34	Donald R. Wilson† <i>West Virginia</i> 1951-52	J. Milton Patrick† <i>Oklahoma</i> 1969-70	John P. "Jake" Comer <i>Massachusetts</i> 1987-88	
Frank N. Belgrano Jr.† <i>California</i> 1934-35	Lewis K. Gough† <i>California</i> 1952-53	Alfred R. Chamie† <i>California</i> 1970-71	Hon. H.F. "Sparky" Gierke <i>North Dakota</i> 1988-89	
Ray Murphy† <i>Iowa</i> 1935-36	Arthur J. Connell† <i>Connecticut</i> 1953-54	John H. Geiger <i>Illinois</i> 1971-72	Miles S. Epling <i>West Virginia</i> 1989-90	

Past National Commanders By Vote of National Convention

Bennett Champ Clark† <i>Missouri</i> Presided at Paris Caucus, March 1919	Henry D. Lindsley† <i>Texas</i> Presided at St. Louis Caucus, May 1919	Eric Fisher Wood † <i>Pennsylvania</i> Temporary Chairman and Secretary at Paris Caucus	Maurice Stember† <i>New York</i>
Milton J. Foreman† <i>Illinois</i> Chairman, Executive Committee at Paris	Theodore Roosevelt Jr.† <i>New York</i>	Thomas W. Miller† <i>Nevada</i> Chairman Pro Tempore Paris Caucus, March 1919	Hamilton Fish † <i>New York</i> 1979
			E. Roy Stone Jr.† <i>South Carolina</i> 1987

Honorary National Commanders

Gen. John J. Pershing†	Marshal Ferdinand Foch†
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†Deceased, *Killed in auto accident, **Elected by Executive Committee to fill unexpired term

Distinguished Service Medal Recipients

The American Legion Distinguished Service Medal is awarded after nominations are presented by the national commander or by department action. The 10-carat gold medal consists of a special bar inscribed with the words "Distinguished Service" and a ribbon with "Distinguished Service" in bold letters, super-imposed on a rose gold matte background. The reverse side of the medallion features the name of the recipient. The medal is awarded once a year, at the national convention, in recognition for outstanding service to the nation and to a program of The American Legion.

1921	Marshal Ferdinand Foch of France Adm. Earl Beatty of Great Britain Gen. Baron Jacques of Belgium Gen. Armando Diaz of Italy Charles Bertrand of France	1951	Gen. Charles P. Summerall	1979	Thomas A. Murphy
1922	Gen. John J. Pershing	1953	Rep. Royal C. Johnson*	1980	President Gerald R. Ford Dead & Missing of the Vietnam War
1923	Adm. Robert E. Coontz Gen. Josef Haller of Poland	1954	Maj. Gen. George A. White*	1981	American Space Shuttle Astronauts John Young and Robert Crippen
1926	Ignace Jan Paderewski of Poland	1955	Dr. Jonas E. Salk Maj. Gen. Ellard A. Walsh	1982	President Ronald W. Reagan
1927	Comte Francois Marie Robert Dejean of France	1956	Vice Adm. Joel T. Boone Charles Stewart Mott	1983	Adm. Hyman C. Rickover
1928	Field Marshal Viscount Allenby of Great Britain	1957	Gen. Mark W. Clark The Most Rev. Fulton J. Sheen	1984	Sen. J. Strom Thurmond
1929	Judge Kenesaw Mountain Landis	1958	Bernard Mannes Baruch Unknown Servicemen of WWI, WWII and Korea, interred at the Tomb of the Unknown Soldier, Arlington National Cemetery	1985	Hon. Caspar W. Weinberger Fleet Adm. William F. Halsey Jr.*
1930	Adm. William S. Sims	1959	Sen. Robert S. Kerr	1987	Hon. William H. Webster
1942	Gen. Douglas A. MacArthur	1961	President John F. Kennedy	1988	Douglas Edwards
1943	Gen. George C. Marshall Adm. Ernest J. King	1962	Gen. Lucius D. Clay Dr. Thomas A. Dooley*	1989	Hon. Howard H. Baker Jr.
1944	Hon. Frank Knox* Henry Ford Gen. H.H. Arnold	1963	Francis Cardinal Spellman	1990	Michael E. DeBakey, M.D.
1945	President Franklin D. Roosevelt Gen. Theodore Roosevelt Jr.* Ernest (Ernie) Pyle* Hon. Henry L. Stimson Fleet Adm. Chester W. Nimitz Gen. Dwight D. Eisenhower	1964	Dr. Charles W. Mayo	1991	President George H.W. Bush
1946	J. Edgar Hoover Bob Hope William Randolph Hearst Maj. Gen. Lewis B. Hershey Hon. Cordell Hull	1965	President Herbert C. Hoover* Hon. James F. Byrnes	1992	Richard Thornburgh
1947	Lt. Gen. William S. Knudsen Sen. Edward Martin Chief Justice Fred M. Vinson	1966	Capt. Roger H.C. Donlon	1993	Gen. Colin Powell
1949	President Harry S. Truman George Herman (Babe) Ruth* Maj. Gen. Frank Parker*	1967	Hon. Tom C. Clark	1994	Walter Annenburg
1950	Charles F. Johnson Jr. Maj. Gen. Milton A. Reckord Rep. Edith Nourse Rogers	1968	President Lyndon B. Johnson Gen. William C. Westmoreland	1995	Crew of the <i>Enola Gay</i> (Paul W. Tibbets, Dutch Van Kirk, Tom Ferebee, Dick Nelson and Bob Carron*)
		1969	President Richard M. Nixon	1996	Rep. G.V. "Sonny" Montgomery
		1970	Rep. Olin E. Teague	1997	Sen. Robert J. Dole
		1971	Rep. L. Mendel Rivers* Sen. Richard B. Russell*	1999	Zachary Fisher*
		1972	Sen. John C. Stennis Dewitt Wallace	2000	Sen. Orrin Hatch
		1974	Hon. Henry A. Kissinger Rep. F. Edward Hebert	2001	Gen. Henry H. Shelton
		1975	Harry W. Colmery	2002	Rep. Bob Stump
		1976	Pat O'Brien	2003	Drs. Jeanne Mager Stellman and Steven Stellman
		1977	Howard A. Rusk, M.D.	2004	Gen. Richard B. Myers
		1978	Bowie K. Kuhn		

*worded posthumously



Carol Van Kirk
National President
Nebraska



JoAnn Cronin
National Vice President
Missouri



Pam Gilley
National Secretary
Indiana



Marta Hedding
National Treasurer
Indiana



Rosey Newman
National Chaplain
Indiana



Flora Jean Craig
National Historian
North Carolina

Banner year for Auxiliary included 'cyber lifeline' between wounded troops and loved ones, records in emergency giving

The American Legion Auxiliary has set its sights on becoming the most vibrant, influential and compassionate women's patriotic organization in the world.

In pursuit of this vision, the Auxiliary is exploring a host of initiatives to enhance its tradition of service. In wartime, the needs of active-duty military, National Guard and Reserve personnel, along with their families, remain a priority.

Before taking oath of office last August in Honolulu, Auxiliary National President Carol Van Kirk was attuned to these needs. In early 2005, she joined an Auxiliary contingent in touring the wards at Walter Reed Army Medical Center and various VA medical centers.

In response to patient requests, Van Kirk announced that her special project for 2005-2006 would be raising money to purchase custom-built computer carts, along with related hardware, software and Internet provider service. Her theme, "Celebrate Freedom," pays tribute to all who have served the country in wartime.

The carts and related gear fill a special need by creating a cyber lifeline between combat-wounded veterans and their families and friends, along with comrades still deployed overseas. These wounded heroes have suffered multiple traumas from "improvised explosive devices," or IEDs.

To date, Van Kirk's call to action has been a stunning success, yielding \$98,000 by April 30 from caring Auxiliary members nationwide to purchase bedside computer carts for VA's four "polytrauma" centers at VA medical centers in Minneapolis, Richmond, Va., Tampa, Fla., and Palo Alto, Calif.

Auxiliary members know their national president as a tireless advocate for U.S. veterans and active-duty military. At every stop during

her department and overseas visits, Van Kirk emphasized what she and our members know firsthand: our men and women in uniform are doing a magnificent job under trying conditions.

She also is quick to remind listeners that media reports don't always reflect actual conditions on the ground, since "good news" is too often "no news" in media land. American Legion Auxiliary members don't ignore good news, doing their fair share of making it.

Our members have organized and attended hundreds of patriotic send-offs and welcome-home events for the troops. Auxiliary units have provided "pocket flags" to troops so they can take a little bit of home with them when they deploy. In addition, we've distributed pocket flag kits to members of Congress and others who visit Iraq and Afghanistan, as a show of support for the troops.

Auxiliary members also actively assist The American Legion's Troops Support Services (TS2) Resource Guide, e-mail message boards, Blue Star Banner and all efforts to support the troops.

Traditional programs like providing coupons to military families and knitting "Toasty Toes" footwarmers provide our military personnel not only comfort, but assurance that their duty and love for their homeland are appreciated by their countrymen and women.

The flag under which our U.S. military serves also is a focus of Auxiliary members, who have mustered support for Senate Joint Resolution 12, the flag-protection amendment. Even as a Senate vote approached in June, American Legion family members wrote letters of support and contacted key lawmakers to gain the one vote necessary to pass the bill and send the amendment on to the states to let the American people decide.

Auxiliary members decided to continue their tradition of service by volunteering a total of 4.4 million hours last year, which includes 3.2 million volunteer hours our members gave directly assisting veterans in hospitals, nursing homes and other care facilities.

The Auxiliary continues to foster the healing magic of the musical and performing arts as a national sponsor of VA's National Veterans Creative Arts Festival.

Local festivals at VA medical centers, particularly the national gathering scheduled for this fall in Rapid City, S.D., are at the heart of the Auxiliary's mission to support every facet of veterans rehabilitation. The creative arts festival is inspiring, fun and fulfilling for both veterans and Auxiliary members who support the program.

Along with our premier youth-oriented programs, Girls State and Girls Nation, activities of American Legion Auxiliary units touch every community in the United States. Our members donate thousands of dollars in scholarships and education grants at the unit, department and national levels.

In an unprecedented response following the destructive wake of hurricanes Katrina and Rita, members set single-year records in donating to the Auxiliary Emergency Fund, or AEF.

More than 1,000 applications for disaster assistance from Auxiliary members in the Gulf region have been processed, and nearly \$800,000 in disaster relief and emergency grants disbursed.

The tradition of service continues in the American Legion Auxiliary. With a plan for growth in place, our support for America remains as strong as ever, and our members celebrate freedom through service.



Kathryn Young
National Vice President
Northwestern Division
South Dakota



Ruby Kapsalis
National Vice President
Western Division
California



Ann Blalock
National Vice President
Southern Division
Alabama



Mary Harper
National Vice President
Central Division
Missouri



Linda Caudell
National Vice President
Eastern Division
Maryland



Salt Lake City, Utah
Aug. 25-31, 2006

FRIDAY, AUG. 25

6 p.m. – 7:30 p.m.
National Junior
Registration
Salt Palace

SATURDAY, AUG. 26

8 a.m. – 9 a.m.
National Executive
Committee Meeting
Ballroom A, Salt Palace

9 a.m. – 12:30 p.m.
National Junior Meeting
Ballroom A, Little America

9:30 a.m. – 11:30 a.m.
Pre-Convention
Committee Meetings
Salt Palace

Group A
Ballroom A
Americanism
Auxiliary Emergency Fund
Community Service

Group B
Ballroom B
Children & Youth
Liaison to the Child
Welfare Foundation
Education
Girls State

Group C
Ballroom C
Junior Activities
Cavalcade of Memories
National Security
Public Relations

Group D
Ballroom D
Legislative
Past Presidents Parley
Poppy

Group E
Ballroom E
Chaplains
Historians
Leadership

Group F
Room 253
Constitution & Bylaws
Rules

Group G
Room 251 BC
Membership
Unit Development &
Revitalization

Group H
Room 251D
Credentials
Resolutions

Group I
Room 150G
Veterans Affairs &
Rehabilitation

Group J
Room 251E
Finance

Noon – 4 p.m.
Junior Field Trip
1:30 p.m. – 3:30 p.m.
Senior Division Caucuses
Salt Palace
Central Division
Ballroom AC

Eastern Division
Ballroom GI
Northwestern Division
Ballroom E
Southern Division
Ballroom BD
Western Division
Room 150G

SUNDAY, AUG. 27

8:30 a.m. – 9:30 a.m.
Pages Meeting
Ballroom A, Salt Palace

9 a.m. – 3 p.m.
National Junior Meeting
Ballroom A, Little America

9:30 a.m.
Junior Division Caucuses
Little America
Central Division
Ballroom A
Eastern Division
Flagstaff
Northwestern Division
Sun Valley

Southern Division
Tucson
Western Division
Wasatch

10:30 a.m.
Joint Patriotic Memorial
Service
LDS Conference Center
4 p.m.
National Convention
Parade

MONDAY, AUG. 28
Hall D, Salt Palace

8:30 a.m.
Opening
"Celebrate Freedom"
9 a.m. – 12:30 p.m.
Introductions, Greetings,
Committee Reports and
Awards *
2 p.m. – 3:30 p.m.
Concurrent Training
Workshops

(pre-registration required)
Successful Unit Public
Relations
Room 250AB, Salt Palace
Effective Unit Elections
Room 250DE, Salt Palace
Managing Unit Finances
Room 251AB, Salt Palace
2006-2007 Membership and
UD&R Kickoff
Room 251DE, Salt Palace
Understanding the Role of the
National Executive Committee
Room 253AB, Salt Palace

TUESDAY, AUG. 29

Hall D, Salt Palace
8:30 a.m.
Memorial Service and
Tribute to Past National
President Opal Glynn
Hanes
9 a.m. – Noon
Nomination of National
Officers, Committee
Reports and Awards *

12:30 p.m.
Woman of the Year
Luncheon
Ballroom, Salt Palace

WEDNESDAY, AUG. 30

Hall D, Salt Palace
8:30 a.m. – Noon
Election of National
Officers, Committee
Reports and Awards,
Report of the National
President, and
Introduction of 2006-
2007 National Officers *

7 p.m.
States Dinner
Ballroom, Salt Palace

THURSDAY, AUG. 31

Hall D, Salt Palace
8:30 a.m.
Installation of 2006-2007
National Officers
Presentation of Pin
and Ribbon to Retiring
National President
Presentation of Colors
to Retiring National
President
Retirement of National
Colors

Adjournment of National
Convention
Post-Convention National
Executive Committee
Meeting
Room 151, Salt Palace
(Immediately following
adjournment)

** Refer to the American*
Legion Auxiliary National
Convention Program for
more detailed information
on convention sessions.



8
40

Salt Lake City, Utah, Aug. 31-Sept. 2, 2006

REGISTRATION

All packets are to be picked up at Eight and Forty Headquarters Office, second floor, Marriott Salt Lake City Center, beginning Aug. 28. Information will be posted for other days.

EMBLEM SALES

Emblem will be open for sales on the days the office is open.

DISTINGUISHED GUESTS

All Distinguished Guests are to meet in the pre-function area on second floor.



Mary Lou Chester
La Chapeau Nationale



Elyline Schweitzer
La Secretaire Cassiere Nationale

THURSDAY, AUG. 31

Les Chapeaux Nationaux Passe Luncheon

11:30 a.m.

Pre Marche Committee Meetings

Second Floor Suites

Olympus B

Permanent Organization
Chairman Donna Blaurock
2 p.m. – 2:30 p.m.

Rules of Order
Chairman Mary Lu Ebersole
2:30 p.m. – 3:30 p.m.

Children & Youth
Chairman Karen Susag
3 p.m. – 4 p.m.

Amethyst 2

Credentials
Chairman Donna Fluhr
2 p.m. – 2:30 p.m.

Resolutions
Chairman Barb McDonough
2:30 p.m. – 3 p.m.
Constitution and Bylaws
Chairman Venita Holthaus
3 p.m. – 4 p.m.

Olympus A

Nurses Scholarship
Chairman Veronica Spence
2 p.m. – 3 p.m.

Partnership
Chairman Janet Klapheke
3 p.m. – 4 p.m.

Amethyst 1

Publicity
Chairman Patty Pierce
2 p.m. – 2:30 p.m.

L'Aumonier
Maryls Exon
2:30 p.m. – 3 p.m.

L'Archiviste
Frances Haydel
3 p.m. – 3:30 p.m.

Awards
Chairman Sharon Alley
3:30 p.m. – 4 p.m.

Sundance

Ritual and Emblem
Chairman Donna Berkheimer
2 p.m. – 2:30 p.m.

Leadership
Chairman Ella Dokken
2:30 p.m. – 3 p.m.

Handbook
Chairman Jean Hayes
3 p.m. – 4 p.m.

Capital Ballrooms A & B

Pre-Marche Pouvoir
4:30 p.m.

Rehearsal for La Marche
6 p.m.
La Concierge Janet Christiansen, Le Marechals Karen McDaniel and Linda Hill, and Pages

Amethyst 1 & 2

Candidates Reception
8:30 p.m.
Chairman Irene Stidham

FRIDAY, SEPT. 1

Capital Ballrooms A & B
8:30 a.m. – 5 p.m.

La Marche Nationale Opening Session

8:30 a.m.
Linda Turner, March chairman presiding opening

Presentation of Chapeaux Passe

Marie Smith	1977
Violet Aichholz	1981
Eunice Staley	1983
Elyline Schweitzer	1984
Helene Mardu	1985
Jean Hayes	1987
Edith Still	1989
Elsie Hemphill	1991
Dorothy Brady	1992
Colleen Stephens	1993
Virginia Kates	1994
Mille H. Niernan	1995
Elizabeth B. Lori	1996
Ivy Christoffers	1997
Reina Svacha	1998
Helen Goewey	2001
Venita Holthaus	2002
Donna Morice	2003
Margaret Sheridan	2004
Irene Stidham	2005

Presentation of National Officers

Escorted by La Concierge Janet Christiansen, Le Marechals and La Marche Pages

La Secretaire-Cassiere Nationale

Elyline Schweitzer

L'Avocate Nationale

Dorothy Brady

L'Aumonier Nationale

Maryls Exon

L'Archiviste Nationale

Frances Haydel

Les Divisional Demi Chapeaux

Linda Jelinek
Central Division
Pauline Hardy
Eastern Division

Jacqueline Owens
Northwestern Division
Iris R. Murray
Southern Division
Sheila Venner
Western Division

Le Demi Chapeau National

Beverly Stites

Mary Lou Cheste

Le Chapeau National

Mary Lou Chester
Le Chapeau National

Call to Order

Mary Lou Chester
Le Chapeau National

Advancement of Colors
Janet Christiansen
La Concierge Nationale
Karen McDaniel and Linda Hill
Les Marechals

Invocation

Maryls Exon
L'Aumonier Nationale

Pledge of Allegiance

Janet Christiansen
La Concierge Nationale

National Anthem

Norainne Bombard

'In Flanders Fields'

Sheila Venner
Western Division Le Demi Chapeau

America's Answer

Iris R. Murray
Southern Division Le Demi Chapeau

Response

Mary Lou Chester
Chapeau National

Roll Call

Elyline Schweitzer
La Secretaire Nationale

Reading of the Call to 2006

La Marche Nationale

Elyline Schweitzer

La Secrétaire Nationale

Report of the Minutes

Committee for 2005 National Marche

Chairman Donna Morice

Presentation of Distinguished Guests

Thomas L. Bock

National Commander

The American Legion

Carol Van Kirk

National President

American Legion Auxiliary

Paul A. Morin

National Commander-Elect

The American Legion

Taurino J. Trevino

National Vice Commander

The American Legion

JoAnn Cronin

National Vice President

American Legion Auxiliary

Robert Spanogle

National Adjutant

The American Legion

Pamela Gilley

National Secretary

American Legion Auxiliary

Marta Hedding

National Treasurer

American Legion Auxiliary

Desiree Stoy

National Children & Youth Chairman

American Legion Auxiliary

Elmer Fuhrhop

Children & Youth Chairman

The American Legion

William Pease

Executive Secretary

American Legion Child Welfare

Foundation

Jason Kees

Assistant Deputy Director

Americanism/Children & Youth

The American Legion

Lu VanderMeyden

Departmental Chapeau Utah

Judy Daybell

Convention Chairman

American Legion Auxiliary

William E. Christoffersen

President of 2006 Convention Corp.

Utah National Executive Committee

The American Legion

Virginia McKay

Utah National Executive Committee

American Legion Auxiliary

Thad S. Jensen

Department Commander

The American Legion of Utah

Cary Fisher

Department President

American Legion Auxiliary of Utah

William L. Sparwasser

National Commander

Sons of The American Legion

Anne Sonnenberg

Director of Catering

and Convention Services

Marriott Hotel

Introduction of Chapeau

Nationaux Passes

Mary Lou Chester

Le Chapeau National

Speaking for the Chapeau

Nationaux Passe

Irene Stidham

Immediate Chapeau National Passe

Report of Special Committees

Permanent Organization

Donna Blaurock

Chairman

Rules and Order

Mary Lu Ebersole

Chairman

Song

Report of Divisional Demi

Chapeau Nationaux and

Introduction of Les Chapeau

Departement aux

Linda Jelinek

Central Division

Pauline Hardy

Eastern Division

Jacqueline Owens

Northwestern Division

Iris R. Murray

Southern Division

Sheila Venner

Western Division

Report of 2005-2006 National Officers

Mary Lou Chester

Le Chapeau National

Beverly Stites

Le Demi Chapeau National

Frances Haydel

L'Archiviste Nationale

Dorothy Brady

L'Avocate Nationale

Elyline Schweitzer

La Secrétaire-Caissière Nationale

Nomination of 2006-2007

National Officers

NOON – RECESS

Divisional Luncheon and

Caucuses

11:30 a.m.

Second Floor

Central Division

Olympus B

Eastern Division

Amethyst 2

Northwestern Division

Gallivan

Southern Division

Amethyst 1

Western Division

Olympus A

Second Session – La Marche

Nationale

2 p.m.

Report of Standing Committees and Introduction of Regional or Divisional Chairmen

Children & Youth

Karen Susag

Chairman

Finance

Frances Swensen

Chairman

Hat Box

Marcella Schmidt

Chairman

Nurses Scholarship

Veronica Spence

Chairman

Partnership

Janet Klapheke

Chairman

Rituals and Emblems

Donna Berkheimer

Chairman

Constitution and Bylaws

Venita Holthaus

Chairman

Awards

Sharon Alley

Chairman

Advisory Committee

Donna Morice

Chairman

Handbook Committee

Jean Hayes

Chairman

Leadership Committee

Ella Dokken

Chairman

Publicity

Patty Pierce

Chairman

Song

Presentation of Local Marche Committees

RECESS

SATURDAY, SEPT. 2

Third Session of La Marche Nationale

9 a.m.

In Memoriam

Marlys Exon

L'Aumanier National

Prelude

Noriene Bombard

Musicienne

Processional

Les Chapeaux Nationaux Passes

Les Demi Chapeaux Divisionaux

Advancing Memorial Book

Beverly Stites

Le Demi Chapeau National

Lighting of Memorial Candle

Mary Lou Chester
La Chapeau Nationale

Prayer

Marlys Exon
L'Aumonier National

Musical Selection

"Take My Hand, Precious Lord"

Tribute to Deceased Partners

Mary Lou Chester
Le Chapeau National

Eulogy in Memory of Le Chapeau National Passé Wanda North

Dorothy Brady
Le Chapeau National Passé

Tribute to All Partners Entering Eternal Rest 2005-2006

Les Divisional Demi Chapeaux National

Linda Jelink
Central Division
Pauline Hardy
Eastern Division
Jacqueline Owens
Northwestern Division
Iris E. Murray
Southern Division
Sheila Venner
Western Division

Response

Marlys Exon
L'Aumonier National

Musical Selection

"Peace In The Valley"

Call to Salon Eternal

Frances Haydel
L'Archiviste Nationale

Answering Call to Salon Eternal

Janet Christiansen
La Concierge Nationale

Musical Selection

"Just A Closer Walk With Thee"

Benediction

Maryl's Exon
L'Aumonier National

Recessional

Norlene Bombard
Musicienne

(Audience should remain seated until after the recessional. Please refrain from taking pictures until the service concludes.)

Report of L'Aumonier National

Marlys Exon

Report of Special Marche Committees

Resolutions

Barbara McDonough
Montana

Registration

Edna Eagles
Virginia

Credentials

Donna Fluhr
Alabama

Election of 2006-2007 Officers

Presentation of Distinguished Guests Committee

Mille Nierman
Chairman
Irene Stidham
Vice Chairman
Elizabeth Lori
Reina M. Svacha

Report of the La Concierge

Janet Christiansen

Presentation of Les Marechals

Karen McDaniel
Virginia
Linda Hill
Missouri

Presentation of National Pages

Louise Lloyd
Chairman, Indiana
Rose Renn
Vice Chairman, Kentucky
Marie Todd
New Mexico
Alberta Warwick
Indiana
Georgella Cadwell
Kansas
Phyllis Lema
Massachusetts

Presentation of Personal Pages

Personal Pages to Le Chapeau National

Mary Fenley
Kentucky

Wilma Hobson
Kentucky

Personal Page to La Secretaire-Caissiere Nationale

Martha Benson
California

Personal Pages to Recorder

Irene Belanger
California
Maxine Dale
California

Song

Ratification of Election of Les Divisional Demi Chapeaux Nationaux

Introduction of Les Divisional Demi Chapeaux and Pinning By Outgoing Les Divisional Demi Chapeaux

Report of Judge of Elections

Beverly Chaloner

Presentation of Newly Elected Officers for 2006-2007

Unfinished Business

New Business

Musical Selection

RECESS

Post Marche Pouvoir

(immediately after recess of Third Session)

La Marche Banquet

7 p.m.
Capital Ballrooms A & B

Processional of Guests

Cheryl Jensen
Banquet Chairman

Invocation

Marlys Exon
L'Aumonier

Pledge of Allegiance

Janet Christiansen
La Concierge

National Anthem

Welcome

Cheryl Jensen
Banquet Chairman

Response

Beverly Stites
Le Demi Chapeau National

Dinner

Introduction of guests

Mary Lou Chester
National Chapeau

Entertainment

RECESS

Installation of 2006-2007 National Officers

Installing Officer

Helen Goewey

Installing L'Aumonier

Irene Stidham

Installing La Concierge

Ivy Christoffers

Presentation of Le Chapeau National Passe Pin to Mary Lou Chester by Donna Morice

Presentation of Le Chapeau National Pin to Beverly Stites by James Miller

Remarks by Le Chapeau National Elect Beverly Stites

Remarks by Le Chapeau National Mary Lou Chester

Benediction

Maryl's Exon
L'Aumonier

Retirement of Colors

Janet Christiansen
La Concierge

Retirement of Le Chapeau National

Mary Lou Chester

ADJOURNMENT OF 2006 LA MARCHE NATIONALE

Special Marche Committees



Chairman of Pages		Louise Lloyd	<i>Indiana</i>
Vice Chairman of Pages		Rose Renn	<i>Kentucky</i>
Le Marechal		Karen McDaniel	<i>Virginia</i>
Le Marechal		Linda Hill	<i>Missouri</i>
Pages		Marie Todd	<i>New Mexico</i>
		Alberta Warwick	<i>Indiana</i>
		Georgella Caswell	<i>Kansas</i>
		Phyllis Lema	<i>Massachusetts</i>
Distinguished Guests	Chairman	Mille Nierman	<i>Washington</i>
	Vice Chairman	Irene Stidham	<i>Vermont</i>
	Members	Elizabeth Lori	<i>New Jersey</i>
		Reina M. Svacha	<i>Michigan</i>
		All National Chapeau Passé	
Credentials	Chairman	Donna Fluhr	<i>Alabama</i>
		Caren Vegas	<i>Connecticut</i>
		Violet Aichholz	<i>Ohio</i>
Permanent Organization	Chairman	Donna Blaurock	<i>Washington</i>
		Betty Jo Keifer	<i>Missouri</i>
		Hazel Mills	<i>Virginia</i>
Rules of Order	Chairman	Mary Lu Ebersole	<i>Florida</i>
		Cheryl Bossemeyer	<i>Louisiana</i>
		Helen Dugan	<i>Illinois</i>
Registration	Chairman	Edna Eagles	<i>Virginia</i>
		Mary Alice Trissal	<i>Kansas</i>
		Barbara LaDoucer	<i>California</i>
Resolutions	Chairman	Barbara McDonough	<i>Montana</i>
		Mariam Wuwert	<i>Ohio</i>
		Rita M. Barylski	<i>Connecticut</i>
Judge of Elections		Beverley Chaloner	<i>Arkansas</i>
Tellers		Theresa Zitcak	<i>Rhode Island</i>
		Betty Harris	<i>Ohio</i>
		Jeanne Dubois	<i>New Jersey</i>
Personal Pages to Le Chapeau National		Mary Fenley	<i>Kentucky</i>
		Wilma Hobson	<i>Kentucky</i>
Personal Page to La Secretaire-Caissiere Nationale		Martha Benson	<i>California</i>
Personal Page to Recorder		Maxine Dale	<i>California</i>
Musicienne		Norainne Bambard	<i>Utah</i>
La Marche Recorder		Irene Belanger	<i>California</i>

2005 La Marche National Local Committees

La Marche Chairman	Linda Turner
La Marche Vice Chairman	Lu VanderMeyden
La Secretaire-Caissiere	Cheryl Jenson
Banquet Chairman	Cheryl Jenson
Halls & Seating	Jacqueline Turner-Whipps
Decorations & Favors	Karen Lucero
Publicity Chairman	Ellen Setterberg

Entertainment for Banquet	Lu VanderMeyden
Divisional Luncheon Hostesses	
	Brittany Childs <i>Central Division</i>
	Rose Buchowski <i>Eastern Division</i>
	Cheryl Jenson <i>Northwestern Division</i>
	Gretta Lemon <i>Southern Division</i>
	Thelma Moriarty <i>Western Division</i>

35th Annual Convention Sons of The American Legion



William L. Sparwasser
National Commander
Maryland



Brian J. O'Hearne
National Adjutant
Massachusetts



Registration

SAL Registration of National Convention Delegates and Alternates

Thursday, Aug. 18	1 p.m. – 4 p.m.
Friday, Aug. 19	9 a.m. – 5 p.m.
Saturday, Aug. 20	8 a.m. – Noon
Sunday, Aug. 21	7:30 a.m. – 8:30 a.m.

SAL Convention Committee Meetings

Friday, Aug. 19	2 p.m.
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SAL National Executive Committee Meetings

Friday, Aug. 19	3 p.m.
Sunday, Aug. 21	2 p.m.

A Message from the National Commander

I welcome you to the 35th Annual Convention of the Sons of The American Legion here in Salt Lake City. It has been an honor for me to serve as your national commander. The National Membership RIDE has been outstanding, with all detachments participating in the "Revving Up Membership" campaign. We have hit another all-time high in membership and continue to set new records.

I could not have asked for better leaders in The American Legion and American Legion Auxiliary. National Commander Tom Bock and National President Carol Van Kirk were fantastic. In our travels this year, they proved that we are indeed a Legion family. Their friendship has been wonderful, and I wish to thank them both for not only for the support they gave to me but for their untiring support of the Sons.

This year, Sons of The American Legion members have made a difference in the lives of many people. As we started the 2005-2006 year, we quickly refocused our efforts on raising additional monies and providing additional support to the National Emergency Fund, in an effort to allow The American Legion to better respond to the immediate and increasing needs of many Legion family members. First Katrina hit the Gulf Coast, and a few short days later Rita moved in on eastern Texas and western Louisiana. SAL stepped up and raised more than \$90,000 for the National Emergency Fund.

Our support of the Child Welfare Foundation reached another milestone as we surpassed the \$3 million mark in donations. The number of volunteer hours given to our VA&R and Community Service programs are encouraging, demonstrating that our members are working even harder for our nation's veterans, to whom we owe our freedom.

So much remains to be done, however. As national commander, I want to remind all our members that we must continue to support our troops and their families. Every day these men and women are protecting our freedoms as they fight the war on terrorism.

This year has been the dream of a lifetime for me, one that every national commander does not want to end. I will treasure the friendships I have made for the rest of my life, and I want to thank each of you for making my life a little better. Each detachment has shown me the greatest hospitality, and the cooperation of The American Legion and American Legion Auxiliary was great. It has been an honor and a privilege to serve as your national commander.

William L. Sparwasser
National Commander
Sons of The American Legion

FRIDAY, AUG. 25

Pre-Convention NEC Meeting

3 p.m.

35th Annual National Convention

4:45 p.m.

Call to Order

William L. Sparwasser
National Commander
Maryland

Advancement of Colors

Squadron 148
Essex, Md.
2005 Co-National Color Guard
Champions

Invocation

Lawrence Ford
National Chaplain
Maryland

Pledge of Allegiance

Thomas Getz
National Sergeant-at-Arms
Ohio

Preamble to the Constitution of the SAL

Thomas Wigmore
National Vice Commander (East)
Massachusetts

Blue Star Banner Ceremony

Thomas Getz
National Sergeant-at-Arms
Ohio

Address

Thomas L. Bock
National Commander
The American Legion
Colorado

Robert W. Spanogle
National Adjutant
The American Legion
Michigan

National Memorial Service

Lawrence Ford
National Chaplain
Maryland

Reading of the Convention Call

Brian J. O'Hearne
National Adjutant
Massachusetts

Roll Call

Brian J. O'Hearne
National Adjutant
Massachusetts

Address of Welcome

Jon Tait
National Convention
Committee Chairman
Utah

Opening Remarks

William L. Sparwasser
Maryland
National Commander

Introduction of The American Legion Youth Award Winners

Introduction of Past National Commanders for Presentation of Distinguished Guest Convention Badges

Establishment of Convention Committees

Legislative and Rules Committee
George Evans
Chairman, National Legislative
Commission
Indiana

35th Annual Convention Sons of The American Legion

Child Welfare Foundation Committee Awards

Presented by Mark Arneson
Chairman, National Child Welfare Foundation Committee
Georgia

Presentation of Garland F. Murphy Award

Presented by Dennis R. Boland
President, Child Welfare Foundation
Florida

Salute to the Colors

RECESS

SATURDAY, AUG. 26

35th National Convention Reconvenes

9 a.m.

Call to Order

William L. Sparwasser
National Commander
Maryland

Salute to the Colors

Invocation

Lawrence Ford
National Chaplain
Maryland

Pledge of Allegiance

Damon Bradtmuller
National Vice Commander (Central)
Indiana

Preamble to the Constitution of the SAL

Kevin Collier
National Vice Commander (West)
Alaska

Roll Call

Brian J. O'Hearne
National Adjutant
Massachusetts

First Report of Credentials Committee

Harold Thompson
Chairman, Convention Credentials Committee
Nebraska

Membership Committee Report

Presentation of National Membership Awards

Presented by James Roberts
Chairman
National Membership Committee
Florida

First Detachment in Region to 100% Awards
Hartline Award
Largest Squadron Award
Regional Renewal Awards
Houghton Awards
Blue Brigade Awards

Presentation of National History Book Contest Awards

Presented by Karl Whitehurst
National Historian
Maryland

Internal Affairs Committee Report

Tim Osmulski
Indiana
Chairman, National Internal Affairs Commission

Presentation of the Community Service Scrapbook Awards

Presented by Milton Chatham
Chairman, National Community Service Committee
Texas

Veterans Affairs & Rehabilitation Committee Report

Presentation of Veterans Affairs & Rehabilitation Commission Awards

Presented by Joe Gladden
Chairman, National VA&R Commission
Maryland

Kirby Kepler Memorial Award
— Squadron

Allen I. O'Brian Memorial Award
— District

Earl Webster Memorial Award
— Detachment

Charles B. Rigsby Volunteer of the Year Award

Americanism Committee Report

Presentation of National Americanism Committee Awards

Presented by David Dew
Chairman, National Americanism Commission
Texas

Gerald Atwood-Edward Beyea-Raymond York Memorial Awards

Squadron
District
Detachment

Children & Youth Committee Report

Presentation of National Children & Youth Awards
Presented by Raymond Giehl Jr.
Chairman, National Children and Youth Commission
Indiana

Legislative and Rules Committee

George Evans
Indiana
Chairman, National Legislative Commission

Finance Committee Report

Thomas Cisna
Illinois
Chairman, National Finance Commission

Constitution and By laws Committee Report

Chris Huntzinger
Chairman, Convention Constitution and By-Laws Committee
Pennsylvania

National Vice Commanders Reports

Thomas Wigmore
National Vice Commander (East)
Massachusetts
James Eiland
National Vice Commander (South)
Alabama

Damon Bradtmuller
National Vice Commander (Central)
Indiana

Ben Horton
National Vice Commander (Midwest)
Wyoming

Kevin Collier
National Vice Commander (West)
Alaska

Presentation of National Commander's Citations

William L. Sparwasser
National Commander
Maryland

RECESS

Area Caucuses

1 p.m. (or immediately following recess)

SUNDAY, AUG. 27

35th National Convention Reconvenes

8 a.m.

Call to Order

William L. Sparwasser
National Commander
Maryland

Salute to the Colors

Invocation

Lawrence Ford
National Chaplain
Maryland

Pledge of Allegiance

Ben Horton
National Vice Commander (Midwest)
Wyoming

Roll Call

Brian J. O'Hearne
National Adjutant
Massachusetts

Introduction of 2006 National Sons of The American Legion Color Guard Champions

Presentation of the Clyde Stillwell Award to the Color Guard Champions

Presented by William L. Sparwasser
National Commander
Maryland

Final Report of the National Commander

William L. Sparwasser
National Commander
Maryland

Final Report of the Credentials Committee

Harold Thompson
Chairman, Convention Credentials Committee
Nebraska

Special Order of Business

Nominations of Sons of The American Legion National Officers

35th Annual Convention Sons of The American Legion

Election of Officers

National Commander
National Vice
Commanders (5)
National Chaplain

Recess for Joint Memorial Service

10 a.m.

Joint Memorial Service

10:30 a.m.

35th National Convention

Reconvenes

Noon

Call to Order

William L. Sparwasser
National Commander
Maryland

Salute to the Colors

Installation of Newly Elected Officers

Benediction

Lawrence Ford
National Chaplain
Maryland

Retirement of Colors

New National SAL Color Guard
Champion

Final Adjournment

William L. Sparwasser
National Commander
Maryland

National Executive Committee

Post-Convention Meeting

2 p.m. (or within 30 minutes of adjournment of convention)

National Convention Parade

4 p.m.

2006 National Officers

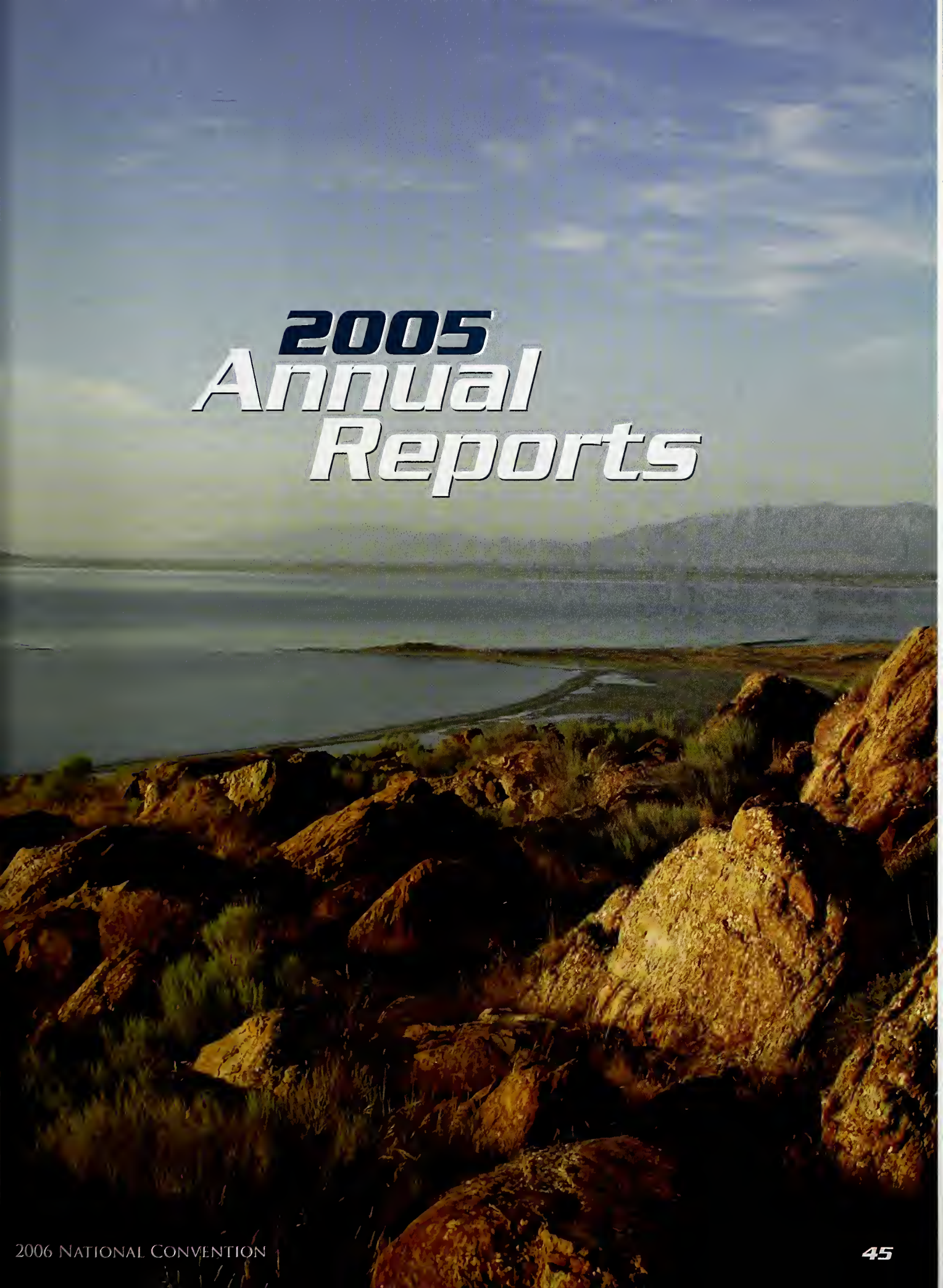
National Commander	William L. Sparwasser	Maryland
National Vice Commanders		
East	Thomas Wigmore	Massachusetts
South	James Eiland	Alabama
Central	Damon Bradtmuller	Indiana
Midwest	Ben Horton	Wyoming
West	Kevin Collier	Alaska
National Adjutant	Brian J. O'Hearne	Massachusetts
National Assistant Adjutants		
	Harold E. Thompson Jr.	Nebraska
	Ed Sheubrooks	Florida
	Clifford E. Hall	Massachusetts
	David Ridenour	Indiana
	Robert J. Avery	New York

National Chaplain	Lawrence Ford	Maryland
National Historian	Karl Whitehurst	Maryland
National Judge Advocate	Joseph Paviglianti	New York
National Sergeant-at-Arms	Tom Getz	Ohio
National Assistant Sergeant-at-Arms		
	Dan Poole	Michigan
	Robert Fifield	Massachusetts
	William Sparwasser II	Maryland
	Carl Armbruster	Arizona
	Jack Donnelly	Pennsylvania
National Commander's Aide	Mark Gilbert	Maryland

Past National Commanders

Michael Seaton	California	* Donald Willson	Pennsylvania	Roland D. Matteson	Arizona
Robert McBride	Ohio	David P. Stephens	Indiana	Joseph Mayne	Minnesota
J.R. Stillwell	Illinois	Christopher R. Cerullo	New York	John T. Dietz	Kentucky
J.R. Stillwell	Illinois	Fred Hartline	Ohio	Jack E. Jordan	Texas
John Smolinsky	Massachusetts	Woodrow L. Mudge	Colorado	William E. Matoska	Maryland
Robert Faust	California	Royce Doucet	Louisiana	Byron J. Robichaux	Louisiana
James Hartman	Maryland	Douglas Bible	Minnesota	Richard L. Cook	Oklahoma
Gregory Reis	Illinois	Richard L. League	Maryland	Kevin N. Winkelmann	Texas
Grant Jamieson	Michigan	David Faust	Wisconsin	Clifford A. Smith	Massachusetts
Charles Gannon	Maryland	Charles R. Belles	Virginia	Steve C. Laws	North Carolina
John M. Sherrard	California	Robert A. Worrel	Indiana	Neal C. Warnken	Kansas
Richard Kepler	Florida	Eugene L. Sacco	Oregon	Michael J. Deacon	Iowa
* Ernest Wilson	New Jersey	* Charles Rigsby	Michigan		

* deceased



2005 *Annual Reports*



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Covers the period ending June 1, 2006

The following pages of this official program of the 88th Annual National Convention of The American Legion contain a condensed annual report for the year 2005-06.

Believing that delegates to the National Convention are entitled to receive a concise statement of the major activities of The American Legion for the past year, ending with this National Convention, your National Headquarters provides this report as a part of the official program. In this manner, we are assured that every delegate and everyone who registers for the Convention will receive the condensed Annual Report.

A full, detailed report has been submitted to the Congress of the United States, in accordance with the Legion's congressionally granted charter and provisions of Public Law 249, 77th Congress, approved Sept. 18, 1941.

Once again, Legionnaires go above and beyond

Another American Legion year is coming to a close, and once again I find it easy to write a column praising you, our membership, for the work you've done. The nation's largest veterans organization has once again performed its mission in a manner that would make our founders proud.

When you are asked to step up, you do. But so many times you aren't asked; you just do. You don't volunteer to see your name in your local newspapers or in our national publications. Your efforts aren't motivated by opportunities to see your names engraved on plaques or printed on certificates of appreciation. You do these things because it's the right thing to do. You do it because you believe in our organization's preamble: "For God and Country, we associate ourselves together . . ."

That's why it's so easy to sit down and write a column singing your praises. You deserve it, for all that you do for our veterans and servicemembers, their families and America's youth. You deserve it for fighting for what America, and The American Legion, stands for when so many are trying to attack our nation's values.

Those values, and the values of our organization, are under assault by the American Civil Liberties Union. You've stood your ground, however. The ACLU has attacked Boy Scouts of America; you've defended the Scouts through your support. Posts, Auxiliary units and Sons of The American Legion squadrons chartered 2,706 Scouting units serving more than 71,000 young men and women.

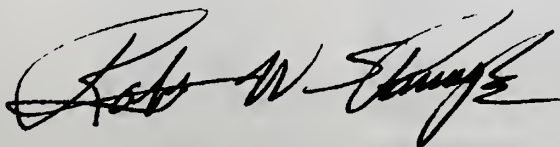
Your impact on our country's youth does not stop there. Your sponsorship provides the way for 25,000 young men to participate in Boys State programs across the country, learning at an early age how our political process works. Thanks to your support, approximately 2,500 young men and women competed in Oratorical contests throughout the country, earning scholarship money while taking a closer look at the U.S. Constitution. And thanks to your efforts, more than 1,600 youth entered shooting sports competitions through local tournaments.

You continue to donate hours to the Department of Veterans Affairs Volunteer Services. Your efforts in your local communities to provide support to our deployed servicemembers have resulted in the sale of 13,281 Blue Star Service Banners, 997 Gold Star Banners and more than 439,792 U.S. Flags. You've taken the lead in organizing Memorial Day, Veterans Day and Armed Forces Day programs in cities and towns across the country.

But your generosity doesn't start and stop with your time. You continue to give financially. Since 1998, the Legion family has contributed almost \$20 million to the Children's Miracle Network, including more than \$4 million last year. Your contributions allowed us to distribute more than \$534,000 through Temporary Financial Assistance, helping meet the food, clothing and shelter needs of 1,128 children of U.S. servicemembers. Finally, your donations allowed the Child Welfare Foundation to distribute more than \$611,000 to 21 nonprofit organizations.

Does that cover all your efforts this year? Hardly. But that's the way you like it. Praise and publicity are not why you perform your mission. Your love of country and your fellow Americans is what drives you to give the way you do, and because of that, our organization succeeds.

I thank you for your efforts.



Robert W. Spanogle
National Adjutant
Michigan

National Officers

The American Legion continues its commitment to serving the nation's veterans, their families and all children. This commitment has served us well since 1919, when the veterans of World War I returned to American soil and formed what would become the world's largest veterans service organization.

As the Legion convenes in Salt Lake City, delegates gather to conduct the vital business of this great organization. From this convention will come policies that will direct the volunteer members as they work to make their communities – and our nation – better in the coming year, and beyond.

The American Legion accomplishes its goals primarily at the grassroots level but with direction from the National Headquarters in Indianapolis and a major office in Washington, D.C.

The Legion's chief executive officer is the National Commander, elected by delegates to the National Convention for a one-year term. The five National Vice Commanders are also chosen by the National Convention.

Thomas L. Bock is the 2005-2006 National Commander of The American Legion. The major accomplishments of the Legion during his term are represented in the following pages of this program and condensed annual report.

Robert W. Spanogle, National Adjutant, is the chief administrative officer of The American Legion. The National Adjutant, the National Judge Advocate, National Treasurer, National Chaplain, National Historian and National Sergeant-at-Arms all comprise the appointed National Officers of The American Legion.



Thomas L. Bock
National Commander, Colorado



Robert W. Spanogle
National Adjutant, Michigan



Willard "Bill" F. Coffey
*National Vice Commander
Michigan*



James H. Hall
*National Vice Commander
New Jersey*



Michael Edward Harris
*National Vice Commander
Virginia*



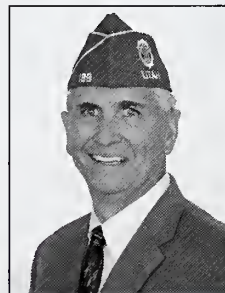
Sebastian "Seb" Roll
*National Commander
North Dakota*



Taurino "T.J." Trevino
*National Vice Commander
New Mexico*



James E. Parker
*National Sergeant-at-Arms
Colorado*



Steven E. Wright
*National Chaplain
Utah*



Johnny B. Keel
*National Historian
Louisiana*



Douglas W. Wooddell
*Aide to the National
Commander, Colorado*



P.B. Onderdonk Jr.
*National Judge Advocate
Maryland*



George A. Buskirk Jr.
*National Treasurer
Indiana*

National Executive Committee

National Executive Committee

Between National Conventions, the administrative authority of The American Legion is exercised by the National Executive Committee, composed of the National Commander, the five National Vice Commanders, National Chaplain and one National Executive Committeeman (plus alternate) elected by each department.

Past National Commanders are life members of the NEC but do not vote. The NEC appoints the National Adjutant, Treasurer, Judge Advocate, Chaplain, Historian and Sergeant-at-Arms. The NEC also has complete control over the annual budget.

Alabama	F. Wayne Turner	Montana	Arthur C. Ellison
Alaska	Jimmie L. Foster	Nebraska	Michael J. Landkamer
Arizona	Julius Maklary	Nevada	Ron Gutzman
Arkansas	Bobby L. Wamble	New Hampshire	Benjamin F. Talford
California	Floyd Martin	New Jersey	William A. Rakestraw Jr.
Colorado	Joseph E. Ross	New Mexico	Bruce Jorgensen
Connecticut	Richard W. Anderson	New York	Richard C. O'Keefe
Delaware	Thomas L. Burns	North Carolina	Jerry L. Hedrick
District of Columbia	Ernest R. Sohns	North Dakota	Curtis O. Twete
Florida	Robert J. Proctor	Ohio	Carl W. Swisher
France	William E. Marshall	Oklahoma	Wayne L. Pedigo
Georgia	Ray Hendrix	Oregon	Charles E. Schmidt
Hawaii	Andrew W. Johnson	Pennsylvania	Alfred Pirolli
Idaho	Richard Hanni	Philippines	Ernesto P. Golez
Illinois	Rodger A. Bennett	Puerto Rico	Carlos Orria-Medina
Indiana	Thomas Henderson	Rhode Island	Eugene Pytko
Iowa	Michael E. Wanser	South Carolina	Rennie M. Singletary Jr.
Kansas	David O. Warnken	South Dakota	Paul A. Evenson
Kentucky	Randall Coffman	Tennessee	Joseph W. Young
Louisiana	Charles D. Aucoin	Texas	Ronald G. Cherry
Maine	Robert A. Owen	Utah	William E. Christoffersen
Maryland	Alfred M. Schmidt	Vermont	Rodney "Stub" Sherman
Massachusetts	Lawrence A. Connors	Virginia	Rob R. Gordon Jr.
Mexico	John E. Hayes	Washington	William F. Schrier
Michigan	Kenneth G. Dittenber	West Virginia	William W. Kile
Minnesota	Virgil V. Persing	Wisconsin	Arthur D. Herbison
Mississippi	Charles E. Langley	Wyoming	Irvin A. Quick
Missouri	David N. Voyles		

Past National Commanders

William E. Galbraith <i>Nebraska</i>	Keith A. Kreul <i>Wisconsin</i>	Robert S. Turner <i>Georgia</i>	Anthony G. Jordan <i>Maine</i>	John A. Brieden III <i>Texas</i>
John H. Geiger <i>Illinois</i>	Clarence M. Bacon <i>Maryland</i>	Dominic D. DiFrancesco <i>Pennsylvania</i>	Harold L. "Butch" Miller <i>Virginia</i>	Thomas P. Cadmus <i>Michigan</i>
Joe L. Matthews <i>Texas</i>	Judge James P. Dean <i>Mississippi</i>	Bruce Thiesen <i>California</i>	Hon. Alan G. Lance Sr. <i>Idaho</i>	
William J. Rogers <i>Maine</i>	John P. "Jake" Comer <i>Massachusetts</i>	William M. Detweiler <i>Louisiana</i>	Ray G. Smith <i>North Carolina</i>	
John M. "Jack" Carey <i>Michigan</i>	Hon. H.F. "Sparky" Gierke <i>North Dakota</i>	Daniel A. Ludwig <i>Minnesota</i>	Richard J. Santos <i>Maryland</i>	
Michael J. Kogutek <i>New York</i>	Miles S. Epling <i>West Virginia</i>	Joseph J. Frank <i>Missouri</i>	Ronald F. Conley <i>Pennsylvania</i>	

Youth Champions

The American Legion sponsors a number of programs that foster growth and development among America's young people. Thousands of students compete in these programs every year. Those listed here represent some of the brightest and most talented young people in America.

2006 Oratorical Champion

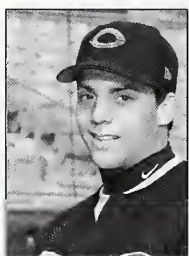


Nicholas Elledge, Knoxville, Tenn., Sponsored by Post 2, Knoxville, Tenn.

Challenging all Americans to take a more active role in government, Nicholas Elledge captured the 69th Annual American Legion National High School Oratorical Championship in Indianapolis in April. His winning oration, "The Constitution is Not a Spectator Sport," earned the Berean High School junior from Knoxville, Tenn., an \$18,000 scholarship. In his speech, Elledge spoke about how the principles of our system of government establish our duties and obligations as U.S. citizens. "We have

a government that is of the people, by the people, and for the people, that derives its power from the consent of the governed," he said. "If my freedom is the envy of the world, and if countless patriotic Americans have died for it, how much more ought I to be active in civic affairs and informed about our founding documents? The freedoms guaranteed by our Constitution are precious, but they are put at risk when we treat government like a spectator sport."

2005 American Legion Baseball Player of the Year



Jose "Fernando" Irizarry Montero, Guaynabo, Puerto Rico, Catcher, Sponsored by Post 76, Cidra, Puerto Rico

Jose "Fernando" Irizarry Montero is the 2005 George W. Rulon American Legion Player of the Year. He received a \$2,000 Gatorade Scholarship and was honored at the Hall of Fame baseball game at Doubleday Field in Cooperstown, N.Y.

Montero played American Legion Baseball for Post 76 in Cidra, Puerto Rico, and was selected for the American Legion All-Star Game and by the Major League Scouts for the Tournament of Excellence. He

graduated from Academia Del Perpetuo Socorro with a 3.50 GPA and is an engineering major at the University of Massachusetts, where he was recruited as a catcher for the university's Division I baseball team.

Montero volunteered at Proyecto CREATTE at San José Public Housing, where he tutored boys in mathematics, and Hospital del Niño, assisting incapacitated children. He also served as a camp volunteer at Notre Dame Summer Camp.

2005 Junior Shooting Sports Champion



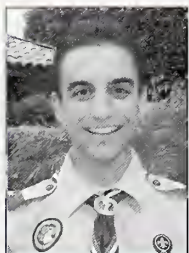
Jonathan Hall, Carrollton, Ga., Sponsored by Post 15, Griffin, Ga.

Jonathan Hall of Carrollton, Ga., claimed the National Champion Precision Award at The American Legion's 15th Annual Junior Air Rifle Championships at the Olympic Training Center in Colorado Springs, Colo.

Hall totaled an aggregate score of 2475.0 of a possible 2509 to capture first place. His performance tied the Precision grand aggregate record

set by 2002 National Junior Shooting Sports Champion Jamie Beyerle. Along the way, Hall set a new final shoot-off record, recording 103.0 of a possible 109 points. He also set a new Precision standing record of 784, eclipsing the old record of 781 set in 2001.

2006 Eagle Scout of the Year



Nicholas Coury, Glendale, Ariz., Boy Scout Troop 262

Nicholas Coury is the 2006 American Legion Eagle Scout of the Year. A student at Ironwood High School in Glendale, Ariz., he received a \$10,000 college scholarship.

The award recognizes Coury's involvement in school, religious and community service projects. Wanting to give something back to his grade school for nurturing his academic interests, Coury designed and built a reading loft for the kindergarten class at Marshall Ranch Elementary

as his Eagle Scout project. His dedication, hard work and leadership provided a fun learning environment for many youngsters.

Coury is a member of the City of Glendale Mayor's Youth Advisory Commission, which meets monthly with Mayor Elaine Scruggs. An Eagle Scout since 2005, Coury is also an honors student. He plans to attend Arizona State University to pursue a double degree in math and science.

2005 Boys Nation President



Alexander Arzoumanov, Florida, N.Y., Sponsored by Post 1250, Florida, N.Y.

Alexander Arzoumanov of Florida, N.Y., was elected president of Boys Nation in a ceremony at Marymount University in Arlington, Va., on July 26, 2005.

The son of Sergei and Alevtina Arzoumanov, he was sponsored by American Legion Post 1250 in Florida, N.Y., and served as senate minority leader and commissioner of public welfare at Boys State in Albany.

Arzoumanov, 17, graduated in June from the S.S. Seward Institute in Florida, N.Y., where he played tennis, ran cross country, and served as president of both his class and student council. He also participated in the school's drama club. He plans to attend Harvard University or Cornell University to study, law, business administration and politics.

2006 Outstanding Military Academy Students

Army



Cadet James Q. Nguyen

Cadet James Q. Nguyen received The American Legion's award for highest standing in chemistry at the U.S. Military Academy at West Point.

National Vice Commander Taurino J. Trevino presented the award.

Navy



Ens. Paul J. Angelo

Ens. Paul J. Angelo received the annual American Legion award for highest marks in English, history and government courses taken to complete a foreign-affairs major at the U.S. Naval Academy in Annapolis, Md.

National Vice Commander James H. Hall presented the award.

Air Force

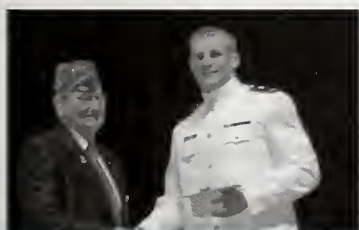


Brady M. Cillo and Anthony J. Stinton

Brady M. Cillo and Anthony J. Stinton of the U.S. Air Force Academy's Class of 2006 both received the Outstanding Cadet in Academic Performance award, sponsored by The American Legion and presented in honor of Brig. Gen. Robert F. McDermott.

National Vice Commander Michael E. Harris presented the awards.

U.S. Coast Guard



Ens. Thomas S. Crowley

Ens. Thomas S. Crowley, currently serving aboard the U.S. Coast Guard *Cutter Bear* in Portsmouth, Va., received The American Legion award for excellence in athletics at the U.S. Coast Guard Academy in New London, Conn.

National Vice Commander Sebastian T. Roll presented the award.

Merchant Marine



Adrian Matthew Zavala

Adrian Matthew Zavala received this year's American Legion award in the category of national security at the U.S. Merchant Marine Academy in Kings Point, N.Y.

National Vice Commander William "Bill" F. Coffey presented the award.

National Americanism Commission



Joseph E. Caouette Jr.
New Hampshire
Chairman

Marty Justis
Maryland
Director

The Americanism Commission of The American Legion served up a diet of healthy programs and activities to better America during the past year. They included educational programs for both adults and the youth of our country and the promotion of an unyielding respect for our national symbol, our country and those who serve today in its uniform of honor.

Following is a summary of the commission's activities:

Youth Activities

Programs for our nation's youth continue to help thousands reach their potential by building physical, mental and moral alertness while cultivating strong character and developing a devotion to civic responsibility. Activities and events during the past year included the following:

- Nicholas Elledge of Tennessee won the 2006 National High School Oratorical Contest and a \$19,500 college scholarship. Terrie Nelson of North Carolina placed second and received a \$17,500 scholarship. Katie Dahlinghaus of Ohio placed third and received \$15,500.
- Nicholas Coury of Arizona was named the 2006 American Legion Eagle Scout of the Year and the recipient of a \$10,000 scholarship. Runners-up and recipients of \$2,500 scholarships were Tony Tillman of Louisiana, Matthew Abree of South Carolina and Paul Martin of Virginia.
- More than 1,000 young men and women entered the individual competition in this year's postal matches associated with the American Legion's Junior Shooting Sports Program (JSSP). In addition, 191 teams competed this year. The JSSP continues to interest young shooters across the country and trains Olympic hopefuls in organized marksmanship competition.
- More than 230 American Legion, Auxiliary and SAL members have been awarded the American Legion and Scout Square Knot Award, recognizing their active involvement in the Scouting programs of The American Legion. Information about the award is available from the Americanism and Children & Youth Division.

American Legion Baseball

The 2006 American Legion Baseball World Series was played in Cedar Rapids, Iowa, on Aug. 18-22.

- An American Legion Baseball team from Enid, Okla., Post 4, won the 2005 American Legion World Series at Rapid City, S.D.. The national champion team attended the Major League Baseball World Series in Chicago as guests of The American Legion and Major League Baseball.
- Fernando Irizarry of Guaynobo, Puerto Rico, was named the George W. Rulon American Legion Player of the Year. He received a \$4,000 scholarship and attended the 2006 National Baseball Hall of Fame Game in Cooperstown, N.Y., in May. Forty-nine members of the National Baseball Hall of Fame played American Legion Baseball.

Immigration/Naturalization

The American Legion remains adamantly opposed to illegal immigration and the multitude of problems associated with it. It opposes amnesty, by any form or name, to individuals who are in this country illegally. The American Legion supports enforcement of existing immigration laws, maintaining strong border security, and reducing legal immigration to a number that can be easily assimilated into our society.

The Americanism Commission works to inform Legionnaires and others about the serious threats to our country's national and economic security posed by illegal immigration. This was accomplished during the past year through articles in *The American Legion Magazine* and the *Dispatch*.

Counter-Subversive Activities Committee

Robert G. Bournival
New Hampshire
Chairman

The Counter-Subversive Activities Committee keeps a watchful eye on activities of individuals and groups that threaten our form of government. Findings are reported to the National Americanism Commission and to the general membership through Legion publications and the Legion's Web site.

National Committee on Education

Dr. James T. Akers
Kansas
Chairman

The American Legion believes education is the cornerstone upon which the future of this nation is built. In keeping with that credo, activities during the past year have focused on improving and maintaining a stronger relationship between American Legion posts and the schools in their communities.

Widely recognized throughout the country as the premiere authority on issues concerning the flag of the United States, The American Legion has produced "For Which It Stands," a DVD about the history of the flag of the United States, the significance and meaning of our flag, and how to respect and care for our flag.

"For Which It Stands" is intended primarily for use with students in the upper elementary and middle/junior high-school grades.

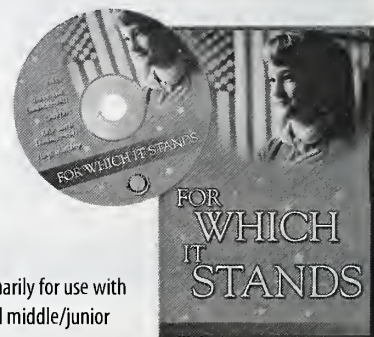
In addition to a 20-minute linear video, the DVD features instructional enhancements designed to give students a rich and rewarding learning experience. The program also features additional learning activities through the "For Which It Stands" Web pages.

The DVD is available from National Emblem Sales (Stock No. 755.400) for \$7.95, plus shipping and handling.

The American Legion continues to promote the concept of bringing veterans in the classrooms to talk about their service experiences. This idea has received enthusiastic responses from both educators and veterans. To support these efforts, a video program titled "America's Veterans" is available. Designed to increase student understanding of the role of veterans in a free society, the video is available from National Emblem Sales (Stock No. 755.402) for \$3.95, plus shipping and handling.

Other education activities during the past year include:

- Dr. Charles Vawter Jr. received The American Legion's National Education Award.
- More than 25,000 school award medals were ordered from National Emblem Sales and presented to deserving boys and girls in graduating classes of elementary and secondary schools and junior colleges. Recipients are selected based on courage, honor, leadership, patriotism, scholarship and service.
- The Samsung American Legion Scholarship Program has awarded more than \$2.5 million to students since its inception in 1996.
- Guidance counselors at more than 28,000 public, private and parochial high schools received The American Legion's scholarship and financial aid publication "Need A Lift?" Additional copies of the booklet can be obtained from National Emblem Sales at a single-copy cost of \$3, plus shipping and handling.
- The National Americanism Commission continues to actively promote and solicit contributions to the American Legacy Scholarship Fund, established by The American Legion to assist dependents of those who died while serving on active duty in the U.S. Armed Forces on or after Sept. 11, 2001. American Legacy Scholarships of \$5,000 each were awarded to Jennifer C. Clapp of Texas, Bruce Hattamer of Michigan, Sean P. Johnson of California, Cyle E. McNulty of North Carolina, and Erin Stein and Douglas Stein of Illinois. Contributions to the fund can be sent to The American Legacy Scholarship Fund, P.O. Box 1055, Indianapolis, IN 46206.



Summary

This year-end report reflects only a small part of the work carried out by The American Legion's National Americanism Commission. Posts, districts and departments expend much more time, effort and money as they accept the challenges of sponsoring and conducting Americanism activities that feature wide-ranging community service, youth development and educational advancement.

Commission on Children & Youth



Elmer Fuhrhop

Ohio
Chairman

Marty Justis

Maryland
Director

The American Legion has been a strong advocate for the children and youth of our nation since our founding in 1919. To date there exists no area of child welfare that has gone untouched by the collective hand of The American Legion.

Our Children & Youth program has three main objectives:

- To strengthen the family unit.
- To support quality organizations that provides services for children and youth.
- To maintain a well-rounded program that meets the physical, intellectual, emotional and spiritual needs of today's young people.

Family Support Network

Since Sept. 11, 2001, National Guard and Reserve units have been activated in record numbers. The families of these men and women often find themselves unable to meet normal monthly household obligations. The American Legion maintains a nationwide Family Support Network toll-free telephone number, 1-800-504-4098, for service personnel and their families to call for assistance. The Legion can also be contacted through our Web site, www.legion.org, or by e-mail at familysupport@legion.org. All requests are referred to community posts. The post contacts the military member or his or her family to determine and address their specific needs. As the nation's largest veterans organization, our commitment to the men and women of our armed forces and their families is absolute.

Operation: Military Kids

Operation: Military Kids is a program designed to support the children of activated and deployed members of the U.S. Armed Forces. When National Guard, reserve and other military parents living in civilian communities are mobilized, their children suddenly have unique needs and lack the community support systems associated with active military installations. The American Legion, in cooperation with state and county cooperative extension offices, seeks to reach out to military youth before, during and after their parents deploy to create a support network for them.

Temporary Financial Assistance (TFA)

Through our Temporary Financial Assistance program, a local post may call upon The American Legion for cash assistance to help meet the basic needs – shelter, food, utilities, medical – of veterans' children when parents are unable to do so. While the veteran must have served honorably on active duty during a designated war period, the veteran does not have to be a member of The American Legion to receive assistance. Last year we granted \$534,504 to veterans families and touched the lives of 1,128 children. These funds afforded 510 families food, clothing and shelter, thus preserving the integrity of the family home.

Children's Miracle Network

Children's Miracle Network raises critically needed funds for 170 children's hospitals that annually treat 17 million children in the United States and Canada. These hospitals treat children with all types of afflictions and injuries, rendering service based on need, not the ability to pay. Since our partnership began in 1998, The American Legion family has donated more than \$19 million to this worthy endeavor.

Ronald McDonald House Charities

Ronald McDonald Houses were created to serve families of seriously ill or injured children by offering them a homelike atmosphere, regardless of the family's ability to pay, where they can get the rest they need to be most supportive of their child. The Pop Tab Collection Program, adopted by The American Legion, generates funds to help offset the costs associated with a family's stay while their child is receiving specialized treatment.

Youth Suicide Prevention

Suicide continues to be the third most common cause of death among adolescents ages 15 to 24. Since 1960, the suicide rate among adolescents has quadrupled. Suicide is a senseless tragedy that is completely preventable. The American Legion actively supports programs of prevention and awareness and distributes a brochure titled "Warning Signs of Youth Suicide."

Halloween Safety

As long as Halloween activities are sponsored and promoted in our various communities by duly appointed and elected officials, The American Legion believes children and parents should know how to make this observance as safe as possible. To assist with this effort, the Legion distributes a brochure titled "Make Halloween a Fun and Safe Night," to educate children and parents about trick-or-treat safety.

The commission is proud of our Legion family members for their accomplishments on behalf of our country's youth. Their efforts in the area of child welfare are living testaments to the ability of free men and women to adapt themselves to evolving needs while maintaining high principles and taking on increased responsibilities under those principles.

The American Legion "has and will do everything possible to perpetuate 'A Square Deal For Every Child.'" This remains our ultimate goal and the definitive challenge for the years ahead.



National Convention Commission



Jeffrey L. Olson

Minnesota
Chairman

Richard D. Holmes

Indiana
Director

The 87th Annual National Convention of The American Legion was conducted in Honolulu from Aug. 19 to 25, 2005.

National Commander Thomas P. Cadmus of Michigan called the convention to order at 9 a.m. Tuesday, Aug. 23, 2005. Commander Cadmus welcomed

Legionnaires to Honolulu and thanked them for their continuing service to our country and to our veterans. The Hon. Linda Lingle, governor of Hawaii, welcomed

Legionnaires to the National Convention, as well as the Hon. Mufi Hannemann, mayor of the city and county of Honolulu, Harry B. Pasco, Department of Hawaii commander,

and Michael D. McCloskey, president of the National Convention Corp. of Hawaii. U.S. Senators Daniel K. Inouye and Daniel K. Akaka, along with the Hon. Jim Nicholson,

secretary of the Department of Veterans Affairs, also addressed the attendees of the 87th National Convention.

The Hon. George W. Bush, President of The United States, addressed the convention via telephone from Air Force One on Tuesday, Aug. 23, 2005.

One of the many highlights for the 2005 National Convention was the National Commander's Banquet for Distinguished Guests at Hall II of the Hawaii Convention Center. The Motor City Angels provided entertainment to a crowd of approximately 2,300 Legionnaires and guests.



Convention Commission Activities

The National Convention Commission met three times during the year. Discussions continue regarding the revisions of our request for proposal (RFP) that is sent to cities interested in hosting a national convention. This process is extremely important, as it provides an equal opportunity for all cities to be judged the same way during the initial review and site visit process. It is the commission's desire to continue to attract new cities desirous of hosting our national convention. This provides our blue-cap Legionnaires and their families with a varied and enjoyable convention that can be shared by all on an annual basis.

Beginning with the 1999 National Convention and continued at the 2005 convention, each attendee had to have the proper identification badge/credentials to enter all of the venues of The American Legion National Convention. On-site registration tables were available for those who needed to register at the site of the convention. This process continues to prove successful and will be in effect at all future national conventions. Additionally, the convention and meetings office was directed to procure a new paper-within-plastic badge for the national convention.

This badge proposal was made available for the first time at the 2001 National Convention and continued successfully at the 2005 convention. There have been no changes to the traditional Distinguished Guests badges, and the traditional badges continue to be available for purchase through the Emblem Sales Division during and after the national convention.

The National Convention Commission reviewed bids provided to The American Legion for the 2011 National Convention from the cities of Detroit, Houston, Minneapolis and Pittsburgh. Subsequent to conducting site visits and after listening to formal presentations from each of these fine cities, the National Convention Commission recommended to the National Executive Committee that the city of Minneapolis be tentatively awarded the national convention for 2011, the dates being Aug. 26-Sept. 1, 2011. The National Executive Committee later approved the recommendation.

Future conventions and dates are:

Reno, Nev.	Aug. 24-30, 2007
Phoenix	Aug. 22-28, 2008
Louisville, Ky.	Aug. 21-27, 2009
Milwaukee	Aug. 27-Sept. 2, 2010
Minneapolis	Aug. 26-Sept. 1, 2011

Distinguished Guests Committee

Greg Rowley

Utah

Chairman

The Distinguished Guests Committee exists under the umbrella of the National Convention Commission. Responsibilities include the coordination of activities of all persons invited to attend the national convention as our distinguished guests. The committee arranges each guest's arrival and departure at the national convention. Each distinguished guest is also assisted with credentials, agendas and other details of the national convention.

American Legion Child Welfare Foundation, Inc.



Dennis R. Boland

Florida

President

William A. Pease

Indiana

Executive Secretary

In 1954, The American Legion endorsed the separate incorporation of the American Legion Child Welfare Foundation. Since then, the foundation has granted more than \$8 million dollars to nonprofit youth-oriented organizations. Grants are awarded solely for the following two purposes:

- To contribute to the physical, mental, emotional and spiritual welfare of children and youth through the dissemination of knowledge about new and innovative organizations and/or programs designed to benefit youth.
- To contribute to the physical, mental, emotional and spiritual welfare of children and youth through the dissemination of knowledge already possessed by well-established organizations, to the end that such information can be more adequately used by society.

At its annual meeting in October 2005, the board of directors approved grants to 21 nonprofit organizations in the amount of \$611,381 for projects to be completed in calendar year 2006. These grants have been awarded to support worthwhile projects and disseminate information about them to the general public and specific target groups. The following is a brief summary of the grants awarded this year:

American Humane Association of Englewood, Colo.: Awarded \$29,850 for a project titled "Innovative Response to Families in Crisis."

Center on Media and Child Health, Children's Hospital Boston: Awarded \$31,819 for a project titled "Keeping Children Healthy and Safe in the Information Age."

Chadwick Center for Children and Families of San Diego: Awarded \$20,000 for a project titled "Disseminating Promising Practices for Preventing Child Abuse and Family Violence."

Child Development Resources of Norge, Va.: Awarded \$26,850 for a project titled "Answers to Parents' Questions About Disabilities."

Child Welfare League of America of Washington: Awarded \$29,914 for a project titled "Revising, Publishing and Disseminating the CWLA National Standards for Health Care of Children and Youth in Foster Care."

Children's Cardiomyopathy Foundation of Tenaflly, N.J.: Awarded \$40,000 for a project titled "Giving a Face to Pediatric Cardiomyopathy – Understanding the Disease and Living With It Patient DVD."

Children's National Medical Center of Washington: Awarded \$25,000 for a project titled "Hands-On Approaches to Helping Children Heal from Traumatic Events."

Cornelia de Lange Syndrome Foundation, Inc. of Avon, Conn.: Awarded \$25,720 for a project titled "The CdLS Foundation – 25 Years of Service."

Danbury Children First, Inc. of Danbury, Conn.: Awarded \$41,500 for a project titled "Keys to Great Caregiving."

Family & Children's Service of Minneapolis: Awarded \$36,000 for a project titled "Children in Change and Seeing Red: Tools for Helping Our Nation's Children Manage Strong Emotions."

Foundation for Children with Cancer of St. Louis: Awarded \$15,000 for a project titled "The Beaded Journey."

Institute for American Values of New York: Awarded \$24,600 for a project titled "Hardwired to Connect CD Production and Dissemination."

Mercy Medical Airlift of Virginia Beach, VA: Awarded \$38,000 for a project titled "Child Health Program – Info Dissemination Upgrade."

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The MY HERO Project, Inc. of Laguna Beach, Calif.: Awarded \$26,222 for a project titled "The MY HERO Student Video."

National Association of Students Against Violence Everywhere (SAVE) of Raleigh, N.C.: Awarded \$25,000 for a project titled "Youth Voices . . . Grown-Up Choices."

National Court Appointed Special Advocate Association of Seattle: Awarded \$52,500 for a project titled "National CASA Volunteer Training Curriculum Tool Kits."

The National Craniofacial Association of Chattanooga, Tenn.: Awarded \$33,090 for a project titled "Beyond the Face: What Every Teacher Needs To Know."

National Marfan Foundation of Port Washington, N.Y.: Awarded \$25,000 for a project titled "NMF School Nurse Initiative."

ThinkFirst National Injury Prevention Foundation of Rolling Meadows, Ill.: Awarded \$34,116 for a project titled "ThinkFirst for Youth: Disseminating a New Injury Prevention Curriculum."

Toby Tire Safety of Springfield, Ill.: Awarded \$15,000 for a project titled "Toby Tire's Child Safety Storybook."

University of Minnesota of Minneapolis: Awarded \$16,200 for a project titled "Teen Talk: A Survival Guide for Parents of Teenagers."

I am happy to report that during 2005, donations exceeded \$660,940, with more than \$383,862 of that amount from Sons of The American Legion.

Members of The American Legion family are the primary contributors to the success and growth of our foundation. Each member and local organization is encouraged to make an annual contribution in support of our foundation. Your support allows the foundation to continue funding projects that improve the quality of life for our nation's children. It is important to remember that every dollar given to the foundation is used for grants that assist young people.

At the meeting of the board of directors of the American Legion Child Welfare Foundation conducted in Indianapolis on May 7, 2006, the following officers were elected: Dennis R. Boland of Florida, president; Peggy Moon of Minnesota, vice president; Kenneth D. Danilson of Iowa, secretary; and Robert Turner of Georgia, treasurer. Administrative personnel appointed by the board of directors were George A. Buskirk Jr., assistant treasurer, and William A. Pease, executive secretary.

Under the 1969 Tax Reform Act, the foundation retains its tax-exempt status. Gifts, therefore, are deductible for federal income-tax purposes to the extent permitted by law, and bequests to the foundation are deductible for federal inheritance-tax purposes to the extent permitted by the Federal Tax Act.

National Economic Commission



James E. Koutz
Indiana
Chairman

Joseph C. Sharpe
Maryland
Deputy Director

The National Economic Commission and its two standing subcommittees on Employment and Veterans Preference are responsible for ensuring that America's veterans have the opportunity to provide, with honor and dignity, the economic necessities of life for themselves and their families. In order to achieve this goal, the commission and its committees work closely with such governmental agencies as the Department of Labor, the Department of Housing and Urban Development, the Office of Personnel Management, the Small Business Administration, and the Loan Guaranty and Vocational Rehabilitation services of the Department of Veterans Affairs.

The National Economic Commission is spearheading the Legion's efforts to end homelessness among veterans. Currently, 47 departments have Homeless Veterans Task Force chairmen who coordinate activities in their departments.

The Homeless Veterans Task Force met during the Washington Conference to plan the next year's activities, which include presenting the Homeless Veterans Outreach Award to the Department of Idaho at this convention.

At the 46th Washington Conference, commission members and guests met to hear the latest on subjects of concern to them. Speakers included Hector Barreto, administrator of the Small Business Administration, on SBA's recent activities, including its response to Hurricane Katrina; Tom Bednarczyk, vice chairman of the advisory committee to SBA, Congress and the president on veterans small business; William Elmore, associate administrator of SBA's Office of Veterans Business Development, on his office's recent activities; and Walter Blackwell of the National Veterans Business Development Corporation, on the corporation's major initiatives.

Other speakers included a panel discussion on veterans' small business concerns by panelists from SBA, VA, Homeland Security and private companies; two speakers offering differing views of the National Security Personnel System; and two speakers offering differing views of veterans preference practices in the Department of Labor.

Another panel discussed the GI Bill and recent and proposed changes to it.

The Commission's Awards Subcommittee met to select winners in the Employer of Veterans and Employment Service awards programs. Here are the winners:

LVER of the Year: Walter A. Pollock Jr., Columbus, Ga.

DVOP of the Year: Jerry Roehl, Boise, Idaho

ES Local Office of the Year: Escarosa Career Center Veterans Programs, Pensacola, Fla.

Small Employer of Veterans: Robert J. Albert Printing Service, Inc., Clearwater, Fla.

Medium-Size Employer of Veterans: ITS Medical Systems, LLC, Duluth, Ga.

Large Employer of Veterans: Alutiiq-Wackenhut Security Services, Fort Bragg, N.C.

During the year, Deputy Director Joe Sharpe has continued to prepare and deliver testimony for congressional committees on subjects of vital interest to the commission, including VETS' transition from DoD to DoL; the budget for VETS, VA's services for vocational rehabilitation, education and home loans; and veterans preference in federal hiring.

Another area of concern for the commission is to ensure employment opportunities for returning, newly separated veterans. To this end, the commission has sponsored job fairs in partnership with Transition Assistance Online and the Labor Department, and has planned and organized a job fair to be conducted at this convention from Aug. 25-31.

Finally, the commission's Small Business Task Force is up and running. It includes members from government and private industry, and is dedicated to creating a favorable climate for veteran business owners and veteran entrepreneurship.

Condensed Report on National Emblem Sales Division

Alvan T. Fuller
Massachusetts
Chairman

Jeffrey O. Brown
Indiana
Director

The American Legion emblem is the exclusive property of the National Headquarters. The sale of the emblem, emblem pins, merchandise carrying the emblem and other items of

organizational equipment is the responsibility of the National Headquarters in Indianapolis. The following table shows gross sales, net earnings, etc., for the entire calendar year 2005 and for the first three months of 2006.

Jan. 1 to Dec. 31, 2005 (12 months)

Gross Sales	\$ 9,991,568
Cost of Goods Sold	5,339,613
Overhead	3,196,590
Operating Profit	1,455,366
Total number of 2005 orders processed:	94,128

Jan. 1 to March 31, 2006 (3 months)

Gross Sales	\$ 2,379,686
Cost of Goods Sold	1,266,849
Overhead	868,132
Operating Profit	244,706
Total orders processed for first 3 months of 2006:	22,558

Finance Commission



Kenneth D. Danilson

Iowa
Chairman

George A. Buskirk Jr.

Indiana
National Treasurer

Paul M. Allen

Minnesota
Director

The primary obligation of the Finance Commission is to prepare a yearly budget for the National Executive Committee, handle funds under that budget, and exercise reasonable oversight to see that the various divisions and departments of the national organization operate within appropriations. The Finance Commission includes seven members, with the national adjutant as ex-officio secretary and the national commander and national treasurer as ex-officio members. Also attending these meetings are the executive directors of the Washington and Indianapolis offices and the finance director and liaison observers from the National Executive Committee.

The national organization had an operating deficit of \$14,821 for 2005. In that year, we received \$9 dues per member, allocating \$6 to the General Fund and \$3 to *The American Legion Magazine*.

Income of the national organization derives from annual membership dues, interest on investments, magazine advertisements, Emblem Sales, contributions and other approved activities.

A full financial statement is incorporated in the auditor's report. Your attention is directed also to the Reports of Committees and Trusts, which can be found in this publication.

These entities include The American Legion Child Welfare Foundation, Inc., The American Legion Endowment Fund Corp., The American Legion Life Insurance and Trust Committee, and The American Legion Emblem Committee.

Foreign Relations Commission



Michael D. Helm

Nebraska
Chairman

G. Michael Schlee

Maryland
Director

The Foreign Relations Commission is guided by two principles: communication and advocacy. The first is primarily to relay to both members and leadership the major foreign-policy changes and international issues affecting the United States and The American Legion. The second is to advocate the adopted resolutions and positions of the membership to Congress and federal agencies that they might enact or promote those policies and programs supported or opposed by The American Legion.

The commission works to educate and influence the administration and Congress and encourages the bipartisan development of foreign policies, which are consistent with the principles of democratic activism as well as our entire portfolio of active resolutions. The American Legion works with congressional committees, members and staff, along with Department of State agencies, throughout the year, generating, promoting and advocating legislation and policies in keeping with the established resolutions adopted by the membership.

Resolutions

Of the resolutions adopted by the Foreign Relations Commission at the 87th National Convention in Honolulu, there is a clear direction toward an emphasis on identifying, preventing and combating terrorism. A common theme borne out by many of the speakers and foreign-policy experts who have addressed the commission has been the idea of the "failed state." The overall strategic view of many in the foreign-policy field is to not only address the initial acts of terrorism but to identify the root causes and to shore up institutions that can help prevent formation of the next generation of terrorists. The American Legion's major policy resolutions reflect these new realities and will continue to evolve as the United States and the international community unite to address this global threat to political and economic stability.

Major Issues

Resolution 196: Support the War on Terrorism

Continued support for military and law-enforcement objectives, both national and international, to rid the world of terrorism and prevent such acts from happening against the United States.

Resolution 197: U.S. Foreign Policy Objectives

Continued re-examination of our national foreign-policy objectives, and to recognize the U.S. role as a singular leader in the free world to promote democracy and human rights and to promote world peace and security.

Resolution 321: Priority POW/MIA Actions

Continue to provide sufficient means and support for the mission of full accountability of all POW/MIAs and the continued declassification of pertinent records.

2006 Washington Conference

The Foreign Relations Commission met jointly with the National Security Commission to hear several speakers of mutual interest, including the Hon. Sean McCormack, assistant secretary for public affairs and Department of State spokesman, and Lt. Gen. James T. Conway, director of operations, J-3, Joint Chiefs of Staff, who commanded the I Marine Expeditionary Force during two combat tours in Iraq.

The National Security and Foreign Relations commissions met in joint session to attend a POW/MIA update presented by the Foreign Relations Commission. The first speakers were Bruce "Rocky" Harder and Jack Kull of the Defense Prisoner of War/Missing Personnel Office (DPMO). The second was Ann Mills Griffith, executive director of the National League of Families of Missing from Southeast Asia, who provided an update on the status of recovery operations and relations with the government of Vietnam.

The Foreign Relations Commission met in a business session, where the professional staff gave a presentation on the international affairs portion of the federal budget and overall foreign relations concerns for FY 2007. The chairman encouraged commission members to submit ideas for speakers and topics of discussion at the meeting scheduled for the 2006 National Convention in Salt Lake City.

NEC Fall and Spring Meetings

Members conducted business sessions to expedite resolutions and other important issues within the purview of the Foreign Relations Commission.

The American Legion Insurance Committee



Leroy S. Lakey
North Carolina
Chairman

G. Paul Dunn
Oklahoma
Member Benefits Administrator

The American Legion Insurance Committee provides oversight for the several insurance plans currently offered by The American Legion and is assigned to the National Finance Commission.

The American Legion Insurance Program supports several national programs, which are among the most prominent and visible activities of The American Legion. The programs are listed here with the corresponding funding for 2006:

- American Legion Baseball, \$595,151
- National Oratorical Contest, \$290,589
- Junior Uniformed Musical Groups, \$35,000 for participation at the National Convention
- Boys Nation, \$161,760
- Boy Scout of the Year Scholarship Award, \$17,500. An award of \$2,500 per year up to four years, not to exceed \$10,000, for pursuit of a course of study beyond high school. Three second-place awards in the amount of \$2,500 each are also granted.

These requests for grants are approved by The American Legion Insurance Committee, the National Finance Commission and National Executive Committee.

The American Legion offers a variety of insurance plans:

Modern Veterans Plan

With new, improved benefits for the younger member who is looking for a more economical choice for life insurance, the LegionLife Modern Vets Plan may be the right choice. Spouse coverage is now available as well. Now, all members younger than 40 may apply, regardless of service status. And for members younger than 30, the maximum benefit has been increased up to \$200,000. For members younger than 40, your family may be protected for less than the cost of Veterans Group Life Insurance (VGLI), and you can keep your benefits even if you're recalled to active duty. For more information, contact the program administrator at 1-800-542-5547.

In addition to its low cost, the plan includes a provision that will pay a covered person's full face amount in the event of death caused or contributed to by war or an act of war, declared or undeclared, if the person is serving on active duty. The rates for this plan are competitive with all associations and lower than many.

Level Term Life Insurance

The American Legion has a Level Term Life Plan available to members, their spouses and dependents, including Sons of The American Legion members and spouses. The administrator for the plans is Marsh Affinity Group Services of West Des Moines, Iowa. Members and spouses younger than 70 are eligible. This plan automatically terminates at age 75.

The Legion-approved Modern Veterans Plans and Level Term Plans are currently underwritten by ReliaStar Insurance Co. Call Marsh Affinity Group Services at 1-800-542-5547 for details. Plans are not available in all states.

Health Care Plans

The following health-care plans are offered in most states:

- A variety of major medical plans, called "Market Basket," that allows Legion and SAL members to call and request quotes on major medical insurance.
- Small Business Group Insurance provides quotes on major medical coverage for small employer groups of two to 50 employees. Additional options are term life, accidental death, long and short-term disability and dental. Remember, these plans are for employees of the small business group, not the general membership. Posts and departments with two or more employees could also use this plan. For information on these plans, call 1-877-886-0110.
- Dental Insurance. This is an indemnified insurance plan with a full schedule of benefits for members and their dependents, including SAL. For more information, call 1-800-542-5547.

Short-Term Recovery Plan

The American Legion National Headquarters is proud to announce a new membership benefit: the Short Term Recovery Plan. The American Legion's National Executive Committee approved the plan at the Fall Meetings in October.

The Short Term Recovery Plan is available to Legion members and their spouses who are 65 and older, on a guaranteed-issue basis, no matter what their current health or health history. The plan pays up to \$5,000 in cash benefits.

Benefits are paid in addition to any other insurance coverage. This plan is not available to the general public. Premium rates for members 69 and younger are \$24.95 per month (less than \$1 a day).

To request information about the new Short Term Recovery Plan, contact The American Legion's administrator of endorsed insurance plans, Marsh Affinity Group Services at 1-800-542-5547.

LegionPlus TRICARE Supplement

The American Legion has a National TRICARE Supplement Program for active-duty and retired military members and dependents. This program is designed to meet the needs of active-duty and retired military members who may be referred to civilian facilities for care. It includes an active-duty and retired version.

Requests for information on TRICARE Supplement Plan, should be directed to Administrator, Marsh Affinity Group Services Inc., 1776 West Lakes Parkway, West Des Moines, IA 50398, or call 1-800-542-5547.

Birthday Life Whole Life Insurance

The Birthday Life whole life plan is currently unavailable for new coverage. Union Fidelity terminated its agreement with The American Legion effective Dec. 31, 2005. All current policyholders will still receive the service to which they have become accustomed from Union Fidelity Life Insurance Co.

The American Legion is currently searching for a replacement carrier and expects to make a selection later this year.

Requests for Birthday Life information for policyholders should be directed to Administrator, Union Fidelity Life Insurance Co., 500 Virginia Drive, Fort Washington, PA 19034, or call 1-800-523-5758.

Health care

The national organization offers several health-care products to departments on an individual basis, as requested. Departments must approve the products by a vote of their department executive committees and certify the approval to the national adjutant. Departments may or may not approve all plans offered. Upon approval by a department, appropriate announcements will be made to the membership. The National Health Insurance Program now has six departments that have approved participation: Illinois, Minnesota, New York, North Carolina and South Carolina. The Department of Pennsylvania participates in the dental plan only.

Internal Affairs Commission



Herman G. Harrington

New York

Chairman

John W. Querfeld

Illinois

Director

The National Internal Affairs Commission was established by resolution of the National Executive Committee in 1947. The original charge for this constitutional commission still remains: to formulate and recommend policies and to oversee the implementation of adopted policies relating to activities conducted for organizational purposes.

Among those purposes are all those not properly the responsibility of any other national commission, as well as membership strategies, post formation, clerical and records administration for posts and individual members, and special projects. The commission also is required from time to time to provide guidance and assistance to the national adjutant on necessary administrative operations of the national headquarters.

Under the broad interpretation of those purposes not properly the responsibility of other commissions, Internal Affairs oversees awards, constitutional discipline and commemorative activities. The commission also monitors legislative and other regulatory activities, which potentially affect posts and departments, and recommends appropriate courses of action.

The commission has four standing committees assigned to it for supervision and coordination. They are Trophies, Awards and Ceremonials; Resolutions Assignment; Constitution and Bylaws, and Membership & Post Activities. The latter has separate reporting responsibilities to the National Convention and the National Executive Committee.

Internal Affairs is responsible for overseeing and reviewing the activities of Sons of The American Legion, which is not a separate organization but rather a major program of the organization.

The commission also oversees long-term programs and activities as the National Paid-Up-For-Life program and the National Emergency Fund.

A new and exciting program, currently in its growing stages, is American Legion Racing. This is a great opportunity for us to reach veterans who are not yet members of our ranks. For more information on how this can benefit local post and departments, go to www.legionracing.org.

Trophies, Awards and Ceremonials

Randall W. Busch

Nebraska

Chairman

This committee supervises all of the official national awards and recommends to the National Executive Committee recipients for the Distinguished Service Medal. Over the years, some of those awarded The American Legion's highest honor have been Gen. John J. Pershing, Ignace Jan Paderewski of Poland, Henry Ford, Ernie Pyle, Bob Hope, Babe Ruth, Dr. Jonas E. Salk, Bishop Fulton J. Sheen, the dead and missing of the Vietnam War, and 10 men who have served as U.S. president in the 20th century, plus many other citizens of renown who have made lasting and significant contributions.

Other awards for which this committee makes recommendations include the International Amity Award and the Canadian Friendship Award. A report is also prepared for the National Executive Committee on miscellaneous awards presented during each year.

The committee also supervises the contents of the Manual of Ceremonies of The American Legion.

Resolutions Assignment

Gerald Diercks

Minnesota

Chairman

The Resolutions Assignment Committee meets at least three days before the convening of the annual National Convention. This committee has the responsibility to receive, consider and transmit all resolutions – with or without recommendation – to the appropriate convention committee for a report to the convention. During an average year, 200 to 300 resolutions will be assigned.

Constitution and Bylaws

Vincent Gaughan

Illinois

Chairman

The National Constitution and Bylaws of The American Legion can only be amended by the duly elected delegates at a National Convention. However, the Constitution and Bylaws Committee, established by the authority of the National Executive Committee in 1939, authorizes this committee to study and make proper recommendations concerning all matters that pertain to the constitution and bylaws, as well as matters relating to the Uniform Code of Procedure, which provides rules and regulations for the revocation, cancellation or suspension of department and post charters of The American Legion.

Membership & Post Activities Committee

Randall Mitchell

Tennessee

Chairman

Billy R. Johnson

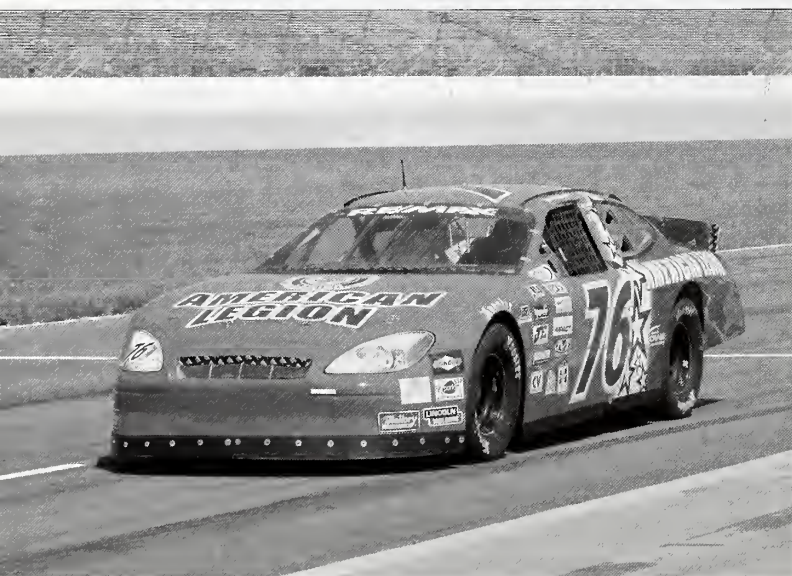
Georgia

Membership Director

Membership and programs go hand in hand to make The American Legion an organization able to provide the people and resources to serve the needs of veterans and their families. Your Membership & Post Activities Committee is pleased to report a continuing membership of nearly 2.6 million members worldwide.

Membership

Final 2004 membership	2,657,623
Final 2005 membership	2,615,678
2006 membership as of Aug. 1, 2006 (projected)	2,590,000



43rd Annual National Membership Workshop

The 43rd annual membership meeting was conducted in Indianapolis on July 28-29, 2006, with more than 300 department and district officers in attendance from nearly all of the 55 departments.

Many of those attending the workshop arrive in Indianapolis with a good understanding of the membership program, especially as it pertains to their areas. But by the time the workshop concludes, they are prepared to face the day-to-day membership challenges with a better understanding of The American Legion as it relates to potential members.

The goal of this workshop is to provide these essential membership workers with the tools, knowledge and desire to grow membership in The American Legion. Whether they are involved with membership recruitment or program implementation, the workshop teaches veterans to help veterans and provide communities the essential programs to maintain a quality of life for which all veterans fought and served to preserve.

New post development/revitalization program

The Membership & Post Activities Committee developed a training program in January 1996 designed to assist posts, districts and departments in developing and revitalizing posts. The program provides training workshops to interested volunteers along with practical field application.

The success of the program is evident, based on the revitalization and development of more than 600 American Legion posts in the program's 10-year history. Efforts have now expanded into metropolitan areas. Many departments have been successful in this program without any actual assistance from national staff. Whether a department requests field assistance or just the training workshop, if the guidelines are followed, there will be successful results.

All departments are encouraged to participate in this program. The program, however, requires a commitment from every level of leadership if it is to be successful. If you are interested in receiving additional information regarding the New Post Development/Revitalization program, contact your department or write to **The American Legion, Membership Division, P.O. Box 1055, Indianapolis, IN 46206**. You also may call the Membership Division at (317) 630-1321 or e-mail ia@legion.org.

Reconnect Program

The Reconnect Program is an initiative by the Department of Defense to "reconnect" America with today's military.

"Reconnect" is an open invitation from the military for groups like The American Legion to establish ties with the total-force active duty, National Guard, reserves and civilian community. This is not a free ticket to recruit, but it is an opportunity for The American Legion to showcase our programs and services. Legionnaires should go into an event with an attitude of providing a service to U.S. servicemembers and their families, and promoting the military in the local community.

Success depends on the participation of departments and the cooperation of local American Legion posts in the community near the military installations and National Guard and reserve units.

An important consideration is that while Reconnect visits to larger installations is important from a public-relations point of view, thousands of local National Guard and reserve units in the United States need our assistance as well. In the war on terror-

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ism, the Guard and reserves are playing a much larger role than any other time in history. These men and women, and their families, are the citizen soldiers who do not always have established military support networks readily available to them. The American Legion can fill this void.

The point of contact for Reconnect is the Internal Affairs Division, (317) 630-1321 or ia@legion.org.

Direct Renewal Program

The Direct Renewal Program is a uniform, organized and simple way to invite members to renew their membership in The American Legion using a direct-mail system. Funded at no cost to participating departments and posts, this program has been successful and effective.

Each department chooses the dates its members receive the first three notices:

1. July 1
2. Oct. 1
3. Jan. 6

The March and May notices go to all delinquent members.

Direct Membership Solicitation

Since 1982, the Direct Membership Solicitation (DMS) program has been responsible for acquiring more than 2.7 million new members into departments. DMS has proven to be very successful in the acquisition of new members, but again this year the emphasis will be on the transfer, renewal and retention of those members.

The DMS program will continue to support The American Legion's ongoing membership efforts with special emphasis on the retention of all members.

Membership campaign promotion

The National Membership Awards Program annually distributes more than 65,000 various awards to recognize membership accomplishments at all levels of the organization. The promotion plan for the National Membership Campaign is formulated during the annual planning session of the Membership & Post Activities Committee in Indianapolis in January.

The 2005-2006 Point Achievers are below:

Early Bird Contest – Aug. 10, 2005: The thirty departments that qualified for the 35-percent target date are Alabama, Arkansas, Connecticut, Delaware, France, Idaho, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Minnesota, Mississippi, Missouri, Montana, New Jersey, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Vermont, Virginia, Wisconsin and Wyoming.

NEF Kickoff – Sept. 14, 2005: The 37 departments that qualified for the 45-percent target date are Alabama, Arkansas, Connecticut, Delaware, Florida, France, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Dakota, Tennessee, Vermont, Virginia, West Virginia, Wisconsin and Wyoming.

Fall Meetings – Oct. 13, 2005: The 20 departments that qualified for the 55-percent target date are Delaware, France, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Minnesota, Missouri, Nebraska, New Jersey, North Dakota, Ohio, Pennsylvania, South Dakota, Vermont, Virginia, West Virginia and Wisconsin.

Veterans Day – Nov. 16, 2005: The 30 departments that qualified for the 65-percent target date are Alabama, Arkansas, Connecticut, Delaware, Florida, France, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, North Carolina, North Dakota, Ohio, Pennsylvania, South Carolina, South Dakota, Vermont, Virginia, West Virginia and Wisconsin.

Pearl Harbor – Dec. 14, 2005: The 13 departments that qualified for the 75-percent target date are Delaware, France, Illinois, Iowa, Kansas, Maine, Minnesota, Missouri, Nebraska, North Dakota, South Dakota, Vermont and Wisconsin.

Mid-Winter – Jan. 11, 2006: The 13 departments that qualified for the 80-percent target date are Delaware, France, Illinois, Indiana, Iowa, Kansas, Maine, Minnesota, Nebraska, North Dakota, South Dakota, Vermont and Wisconsin.

Presidents Day – Feb. 8, 2006: The 12 departments that qualified for the 85-percent target date are Delaware, France, Illinois, Iowa, Kansas, Maine, Minnesota, Nebraska, North Dakota, South Dakota, Vermont and Wisconsin.

Legion Birthday – March 8, 2006: The five departments that qualified for the 90-percent target date are France, Iowa, Maine, North Dakota and South Dakota.

Note: The Big Twelve Competition has moved to the March Target Date.

Big Twelve Competition Winners:

- Category I None qualified
- Category II None qualified
- Category III Iowa
- Category IV Maine
- Category V North Dakota
- Category VI None qualified

Children & Youth – April 12, 2006: The two departments that qualified for the 95-percent target date are France and North Dakota.

Armed Forces Day – May 10, 2006: The one department that qualified for the 100-percent target date is France. By achieving 100 percent of the department's 2006 membership goal, winning department commanders and Membership chairmen may choose between several gifts based on the number of targets and bonuses reached during the year.

Department Commander of the Year: Any department commander who met or exceeded his or her 100-percent goal for 2006 by May 10, 2006, will receive a plaque recognizing the achievement. The plaque will be presented at the national convention in Salt Lake City.

Gold Brigade Recruiter Award: A Legionnaire who recruits 50 or more new members by May 10, 2006, will qualify for enrollment in the elite Gold Brigade of The American Legion.

Delegate Strength – July 31, 2006: Delegate strength is determined by the membership in the hands of the national treasurer 30 days prior to the national convention. Total number of delegates for each department is based on five delegates at large, one delegate for each 1,000 members or major fraction thereof, and the members of the National Executive Committee.

Post Honor Ribbons: Post Honor Ribbons were shipped to 1,415 posts whose 2006 membership as of Dec. 31, 2005, exceeded their final 2005 membership.

Certificates of Meritorious Service: These certificates were awarded to 256 posts for attaining a new all-time high membership for 2006 by Dec. 31, 2005.

Five Consecutive Years, All-Time High: These citations are awarded to posts with five or more consecutive years of all-time high membership in 2006.

"Race to the Top"

District commanders are the linchpin of The American Legion's chain of command, serving as the vital link between the national and department organizations and all posts. As we are all aware, the local post is where the "rubber meets the road." If it doesn't happen at the post level, it doesn't happen at all. District commanders are the people charged with insuring all posts in their district maintain their vitality.

Consequently, this unique award was created to provide a meaningful incentive for the district commanders and reward their successful membership efforts. The top five winning district commanders and guests receive:

- Reserved tickets to the Indianapolis 500, "the greatest spectacle in racing."
- First-class hotel accommodations for four nights at an Indianapolis hotel.
- Reserved seating for the Indianapolis 500 parade.
- Dinner reservations Friday evening at one of Indianapolis' finest restaurants.
- Tour of the National Headquarters of The American Legion.

Previous winners have reported how much they enjoyed their opportunity to participate in this world-renowned racing event and that they have fond memories that will last a lifetime.

Competition is divided into five categories based on the membership of the district without regard to geographic locations. District commanders will compete in each of the following categories based on the final 2005 totals, and a top district commander for the national award will be selected from each of the five categories. Second- and third-place awards will also be presented in each category.

Category I	Districts of 15 to 1,499 members
Category II	Districts of 1,500 to 2,999 members
Category III	Districts of 3,000 to 4,999 members
Category IV	Districts of 5,000 to 7,499 members
Category V	Districts of 7,500 and above members

The 500 Trip will be presented to the top district commander and spouse in each category whose district membership on March 31 represents the greatest percentage over the final previous year membership of that district. It cannot be less than 100 percent to qualify. The first-place award entitles you and your guest to attend the Indianapolis 500 Race, and you receive first-class hotel accommodations.

Second-place awards will be presented to the district commander in each category whose district membership on March 31 represents the second-highest percentage over the final previous year membership of that district. It cannot be less than 100 percent to qualify. Winners will receive a \$500 Visa Gift Card.

Third-place awards will be presented to the district commander in each category whose district membership on March 31 represents the third-highest percentage over the final previous year membership of that district. It cannot be less than 100 percent to qualify. Winners will receive a \$375 Visa Gift Card.

'Race to the Top' winners

First place: Trip to the Indianapolis 500:

Category I	Paul T. Bretz		
	Nevada	107.69%	District 5
Category II	William O. Windham		
	Louisiana	117.11%	District 5
Category III	Henry Wayne Basden		
	Texas	103.91%	District 6
Category IV	No one qualified		
Category V	No one qualified		

Second place (\$500 gift certificate):

Category I	Lewis E. Field		
	Virginia	100.49%	District 13
Category II	Frank H. Carr		
	Virginia	104.20%	District 5
Category III	Terry L. Ludwig		
	Illinois	103.18%	District 14
Category IV	No one qualified		
Category V	No one qualified		

Third place (\$375 gift certificate):

Category I	No one qualified		
Category II	Peter W. Zebrowski		
	South Carolina	100.30%	District 14
Category III	No one qualified		
Category IV	No one qualified		
Category V	No one qualified		

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District Commander New Post Achievement Award

District commanders, who achieve the goal of creating new American Legion posts in their respective district and have the new post's temporary charter application on file at National Headquarters by May 10, 2006, qualify for a special recognition framed certificate.

District Commander Achievement Award With District Honor Ribbon

All district commanders whose May Target Date membership exceeds the previous year's membership by at least the number of posts in that district will be awarded the District Commander Achievement framed certificate. In addition, the district will receive a District Honor Ribbon for its district colors.

Department Recruiter of the Year

Each American Legion post will have the opportunity to submit the name of the "Top Recruiter" for that post who has signed up the highest number of new members for the 2006 membership year by May 10, 2006. Department adjutants will determine the Top New Member Recruiter for their respective department and certify their "Department Recruiter" to National Headquarters on or before May 28, 2006.

The "Department Recruiter" properly certified from each department will be awarded a plaque with his/her accomplishment inscribed thereon.

National Recruiter of the Year

The individual certified with the highest number of new members recruited from among all the departments will be declared "National Recruiter of the Year." The winner of this award receives an all-expense-paid trip to the 2006 National Convention in Salt Lake City.

Sons of The American Legion

Sons of The American Legion will conduct its 34th National Convention at the Salt Palace Convention Center in Salt Lake City.

For the 32nd consecutive year, Sons of The American Legion is at an "all-time high" in membership. SAL closed its membership at the end of 2005 with a record 301,083 members. This number represents a 4.1-percent increase over the previous year.

Membership figures for 2006 are expected to exceed the figures for the 2005 membership year. Going into the National Convention in Salt Lake City, SAL will surpass the 2005 final figures, giving it another "all-time high" for membership year 2006.

SAL continues its support of American Legion programs and is heavily involved with support to our nation's veterans in the VAVS program. In 2005, SAL provided more than 258,189 volunteer hours in VA homes and hospitals. Donations in cash and goods to these veterans exceeded \$2,447,268 nationwide. Other projects include Americanism programs, by which \$3,132,735 was donated, along with 464,985 hours of service. This was remarkable, considering only 10 percent of squadrons submitted reports. SAL also raised more than \$383,862 in 2005 for the Child Welfare Foundation, surpassing all previous years. The Sons also provided several grants through The American Legion Child Welfare Foundation. Sons of The American Legion has contributed more than \$3 million to The American Legion Child Welfare Foundation.

The Sons continue to support Legion programs, with a major emphasis on VAVS, National Emergency Fund and Children's Miracle Network, as well as other vital programs. As an integral part of The American Legion family, the Sons continue to serve and provide assistance to posts and their communities.

National Emergency Fund



The National Emergency Fund was well challenged during the latter part of 2005 into 2006. Hurricanes Wilma, Rita and Katrina, combined with various tornadoes, all wrought record damage upon our nation and our Legion family. The total amount of grant monies awarded since the NEF was reinstated in 1989 is well over \$6.6 million.

Last year, a record amount of grants totaling more than \$2.1 million went to 2,512 individuals and posts. The great majority of grants awarded in 2005, as well

as most all in 2006, are due to hurricanes that swept through the Gulf Coast, causing major damage and flooding up and down the entire coast and inland Florida, Alabama, Louisiana, Mississippi and Texas. The three hurricanes that occurred between August and October 2005 were the busiest and most destructive in history. According to the Federal Emergency Management Agency (FEMA), hundreds of thousands were evacuated from the Gulf Coast area, and millions were affected and are still affected and displaced from their homes, many never to return to their pre-hurricane lives. The NEF, in a small way, has assisted all the Legion family members identified with getting some semblance of order to their lives again.

Even though a record amount was awarded to Legion family members, the Legion family has returned the favor. A record amount has been donated to the NEF from Legion family and posts. Between Jan. 1, 2005, and April 25, 2006, almost \$2.5 million has been given.

We currently have more than \$1.5 million available in the fund. We annually grant approximately \$375,000 to our members during a normal year. It is important that our members realize that each and every dollar contributed to this fund is used for the express purpose of rendering financial assistance to our members and American Legion posts that have incurred devastation from a declared natural disaster (i.e., wind, rain, fire and earthquakes). The grants are to be used for immediate needs (lodging, food and clothing) and not as a substitute for insurance. Monies to support the administrative costs of maintaining this fund and conduct fund-raising are absorbed through existing budget areas.

What makes this program so unique is that our members know they can turn to The American Legion for immediate financial assistance without the red tape or repayment requirements normally associated with other federal and state agencies. With the help of all Legion members, the National Emergency Fund will continue to meet the needs of our Legion family after a local, state or national disaster.

Consolidated Post Reports

The Consolidated Post Report — one of The American Legion's most valuable documents — is our annual report card to Congress. It provides a summary of the collective assistance provided to the national from our Legion posts. Nearly 50 percent of American Legion posts submitted reports to National Headquarters for the 2004-2005 reporting year.

The total figures show the cost to outfit color guards, firing squads and other uniformed groups was \$2,804,700; Legion Baseball team support cost \$8,393,396; cash contributions to VA Voluntary Services was \$1,778,597, and more than 938,965 hours of voluntary services were provided; 1,836 Boy Scout Units were sponsored with 53,096 scouts involved at a cost of \$1,794,335; and a total of 7,925 scholarships were presented collectively valued at \$3,843,135.

In addition, 2,697,459 hours were spent performing community service work, valued at \$5,306,579; a total of 85,763 pints of blood were collected; and additional millions of dollars in goods and cash were contributed to programs helping veterans and their families.

These facts and figures represent just over half of all American Legion posts. What if all posts submitted a report? What are the true numbers?

Paid-Up-For-Life Program

There are Legionnaires who have voluntarily chosen to become Paid-Up-For-Life members under the national plan. The number of Legionnaires who have applied for a lifetime membership since the beginning of the program in 1975 is more than 250,000.

Each Paid-Up-For-Life member receives a permanent plastic card, as well as an annual paper membership card, directly from National, to verify continuing membership in The American Legion. The annual card is mailed each July.

The cost of a Paid-Up-For-Life membership is based on the member's age at the time of application and the current annual dues of the post; an applicant may pay by check, MasterCard or VISA, Discover or American Express. Also, they may use the Time Payment Plan to purchase a National Paid-Up-For-Life membership. No interest and no service charge will be added to the fee.

Contact your post adjutant or finance officer, or go to www.legion.org.

Note: Kansas does not participate in the National plan. The department operates its own plan for members.

Troop Support Services (TS2) Program

Troop Support Services (TS2) consists of three programs: Reconnect, Family Support Network and Welcome Home. The handy, condensed TS2 brochure is a pocket resource directory for both troops and their families. Packed with important information and contact telephone numbers, Web sites and e-mail addresses, the TS2 brochure is designed to fit easily into a servicemember's desert combat uniform pocket for handy reference. It includes a wallet card with condensed information to carry during deployment while leaving the main resource guide at home with the family.

Our goal is to encourage American Legion posts to get a TS2 pocket guide into the hands of every member of the U.S. Armed Forces to give them the information they might need on short notice.

When a post orders the pocket directories for a unit deployment event, sponsorship ceremony, or welcome-home ceremony, National Headquarters prints labels with post contact information that can be placed on every guide so the servicemember and family have a point of contact in the local community in the event they need assistance. The American Legion is there for our servicemen and women, and their families, before, during and after deployment. For more information, call (317) 630-1335, e-mail dlhamon@legion.org, or visit www.legion.org. Go to "Military Support" on the left side and click on "Support Troops."

Information Technology

Ronald E. Brooks

Tennessee

Executive Director

The Information Technology Division (IT) is responsible for many processes critical to the operations of The American Legion. IT staff play a key role in the selection of all hardware and software used by National Headquarters and are responsible for troubleshooting and equipment maintenance.

E-mail, Internet access, file servers, telephone systems, desktop and laptop computers, and the data telecommunications structure linking the Indianapolis and Washington, D.C., National Headquarters offices are all responsibilities of the IT Division. The IT Division also maintains the www.legion.org Web site, as well as hosts the Web sites for several Legion family organizations.

IT also is responsible for the computer systems housing The American Legion's membership database. IT is tasked with keeping the national database current by adding new members and changing addresses and other information of our current members. These same services are also provided for American Legion Auxiliary, Sons of The American Legion and the Citizens Flag Alliance.

Along with the membership system at National, IT supports departments, detachments, posts, units and squadrons by providing them with electronic membership updates. Many of our state and local groups use the Association Information Manager (AIM) software offered by National to manage their membership records. Still others make use of our newest product, ALPOP, which allows post leadership to access their membership on the National database via the Internet.

The IT Division is in the personalized laser printing business, too. Annual membership cards, membership solicitation letters, renewal notices, return address labels used for department fund-raising, mailing labels for various publications, and a variety of other printed materials are all produced by IT staff.

In conjunction with membership database capabilities, The American Legion has invested in sophisticated list processing software. This ensures mailings are done at the lowest cost using features that:

- Eliminate duplicate names from various lists so that only one item is mailed to each addressee.
- Sort mail in U.S. Postal Service sequence and print addresses using the USPS bar code to receive the most favorable postal discounts.
- Identify addresses that would not be recognized and thus not delivered by the Postal Service, preventing us from wasting printing and postage costs.

The American Legion Information Technology is an integral part of the Marketing Services Group, which includes Haynes & Partners Communications Inc. (HPC), Member Benefits and Emblem Sales.

Many of the services described above are provided to HPC clients, which generates enough revenue to offset more than 40 percent of the IT Division's operating expenses.

National Legislative Commission



David K. Rehbein

Iowa

Chairman

Steve Robertson

Louisiana

Director

The purpose of the National Legislative Commission is to promote the legislative mandates of The American Legion before Congress. These mandates are dictated by resolutions adopted at either a National Convention or meetings of the National Executive Committee. Neither the Legislative Commission nor its staff can make policy decisions.

The American Legion's legislative portfolio covers a large spectrum of issues, such as flag protection, juvenile delinquency, veterans employment, foreign relations, military preparedness and veterans health care. The Legion's mandates are promoted by oral and written testimony at congressional hearings, writing and mailing thousands of letters, and lobbying Congress through countless hours of telephone calls and meetings. The National Legislative Council, American Legion Auxiliary and Sons of The American Legion effectively augment the Legion's grassroots lobbying efforts.

Because of protracted budget negotiations between the President Bush and Congress, the fiscal year (FY) 2006 appropriations process was behind schedule. By Sept. 30, 2005, only two of the 11 funding measures needed to operate the federal government were signed into law, with another enacted in mid-October. A total of three continuing resolutions were needed to fund federal government operations from Oct. 1 until all the appropriations bills were enacted. Six more funding measures were enacted in November, with the final two – the Defense spending measure and the Labor/HHS/Education funding bill – enacted Dec. 30. The first session of the 108th Congress adjourned Dec. 22, 2005.

On Oct. 18, 2005, the president signed Public Law (PL) 109-90, the FY 2006 Department of Homeland Security (DHS) funding measure. The measure provided a total of \$30.8 billion in discretionary funding for the newest Cabinet department. Funding for several major accounts include \$8.7 billion for the U.S. Coast Guard, \$4.6 billion for the Transportation Security Administration, \$3.3 billion in grants for state and local "first responders" – firefighters, police and emergency-response personnel to prepare for future terrorist events, \$3.1 billion for the Bureau of Immigration and Customs Enforcement, \$1.2 billion for the Secret Service and \$686 million for the Federal Air Marshals program.

On Dec. 30, 2005, signed PL 109-148, the FY 2006 DoD appropriations measure. The House passed the conference report to the measure Dec. 18 by a vote of 308-106, while the Senate passed the report three days later by a 93-0 vote. This measure would fund DoD and defense-related programs at \$453.5 billion. Included in that amount is \$50 billion earmarked for military operations in Afghanistan and Iraq. The president did not request these funds, but Congress felt it was more realistic to include them in a regular appropriations measure, in lieu of supplemental funding bills.

The American Legion has enjoyed several recent successes in addressing concurrent receipt of military retired pay and VA disability compensation. U.S. Rep. Mike Bilirakis, R-Fla., has introduced a measure, H.R. 1366, to help address another long-standing inequity. Some service-connected disabled military retirees were forced to retire from service before serving 20 years because of combat- or operations-related conditions; they are referred to as Chapter 61 retirees. Senate Minority Leader Harry Reid, D-Nev., introduced a companion measure, S. 2385.

Presently, those who were medically retired short of 20 years must forfeit \$1 of military retired pay for each \$1 they receive in VA disability compensation. This legislation would

ensure combat-wounded members receive the retired pay they earned by service. It would exempt from the VA offset an amount of retired pay equal to 2.5 percent of their highest three-year average basic pay times years of service. This legislation is important to help address a current inequity whereby a member with 20 years of service and a 10-percent combat-related disability from VA doesn't have VA compensation for that disability deducted from retired pay, but a member who is 100 percent disabled from combat wounds and medically retired at 19 years and six months suffers the full VA offset.

A proposed constitutional amendment to protect the U.S. flag from physical desecration was introduced in both congressional chambers in 2005. The House legislation, H.J.R. 10, passed the House June 22, 2005, by a vote of 286-130. A similar bill, S.J.R. 12, was introduced in the Senate by U.S. Sens. Orrin Hatch, R-Utah, and Dianne Feinstein, D-Calif., on April 14. The measure failed Senate passage by one vote. The American Legion will continue to seek enactment of a constitutional amendment to protect the nation's flag.

Funding for the Department of Veterans Affairs for FY 2006 is contained in PL 109-114. VA received a total of \$35.7 billion for discretionary funding in FY 2006, a \$1.1 billion increase over the previous year. During the budget process, President Bush made a revised request that an additional \$1.2 billion should be added to VA health care. This was a result of congressional hearings that demonstrated the administration underestimated the number of Operation Iraqi Freedom and Operation Enduring Freedom veterans who would use the VA medical system.

Slightly more than half of all VA spending is mandatory spending — or entitlements, programs that are automatically funded. These include pensions, VA compensation, insurance and home-loan programs. The remaining programs — health care, medical and prosthetic research, the National Cemetery System and medical facility construction, among others — fall under discretionary funding. The American Legion and other veterans service organizations have been lobbying Congress to establish a mechanism whereby VA medical-care funding is transformed into mandatory funding.

Early in the first session of the 109th Congress, U.S. Rep. Lane Evans, D-Ill., introduced H.R. 515, the Assured Funding for Veterans Health Care Act. Sen. Tim Johnson, D-S.D., re-introduced his VA mandatory funding bill, S. 331, one week later. These measures would establish a base funding year, calculate the average cost for a veteran using VA health care, and then index the cost for inflation. Multiplying this average cost by the number of veterans who are enrolled each year on July 1, would determine the funding allotment for the Veterans Health Administration for the next fiscal year. Passage of this measure would establish a funding baseline for VA each year, which does not currently exist. The American Legion fully supports this legislation as a good first step toward solving the annual funding problems plaguing VA health care.

A related issue is Medicare reimbursement. Under current law, VHA cannot bill the Centers for Medicare and Medicaid Services (CMS) for third-party reimbursements for the treatment of nonservice-connected medical conditions of enrolled Medicare-eligible veterans, even if the health care is routinely covered under Medicare. U.S. Rep. Sue Kelly, R-N.Y., has introduced a bill, H.R. 4992, to create a pilot program to allow the Department of Health and Human Services to reimburse VA for Medicare health care services furnished to Medicare-eligible veterans in VA facilities.

On March 9, the Senate Budget Committee released its version of FY 2007 budget resolution, S. Con. Res. 83. The Senate panel called for VA discretionary spending to be set at \$36.2 billion. Prior to final passage, the Senate agreed by a 100-0 vote to an amendment — offered by Senator Conrad Burns, R-Mont., — that would add \$823 million in funding for VA health care and medical/prosthetics research. However, an amendment championed by Sen. Daniel Akaka, D-Hawaii, to add \$1.5 billion to VA medical care was rejected 54-46. On March 16, the Senate passed S. Con. Res. 83 by a recorded vote of 51-49. The House suspended action on its version of the FY 2007 budget resolution, H. Con. Res. 376, prior to the spring/Easter recess. Final approval of the House budget measure is problematic. If the House agrees to a budget resolution, then House-Senate conferees will work out a version each chamber can support. Once this is accomplished, a final blueprint for the Appropriations Committees will be in place. It should be stressed that the budget resolution is not law, merely the guideline for spending bills.

Although the House Veterans Affairs Committee chairman has refused to participate in joint congressional hearings, Senate VA Chairman Larry Craig, R-Idaho, will conduct a hearing Sept. 20 to hear the views of The American Legion presented by the newly-elected national commander.

As we look ahead, congressional elections will occur in November to determine the composition of Congress, with one-third of the Senate and the entire House of Representatives running for office. When the 110th Congress convenes in January, The American Legion will focus its attention on FY 2008 VA and DoD funding, enactment of Medicare reimbursement legislation, and enactment of assured funding for VA.

The American Legion Magazine Commission



Dennis J. Henkemeyer
Minnesota
Chairman

Daniel S. Wheeler
Virginia
Executive Director

The American Legion Magazine sold \$8.3 million in advertising in 2005. In only its second year as the advertising representative for *The American Legion Magazine*, the James G. Elliott Co. has been a solid performer. The firm has increased price-per-page revenue and is on pace to meet its \$9 million sales goal for 2006. New advertisers include Glaxo Smith Kline, AARP, Aetna and Sharper Image. Major advertisers include Mercury, Astra Zeneca and Pfizer.

Over the last year, *The American Legion Magazine* has published exclusive articles by Lou Dobbs, Maj. Gen. Robert Scales, Joel Mowbray, Sen. Tom Coburn, Frank Gaffney, Ambassador Edward Rowley and Georgie Anne Geyer. Editors have traveled to Guantanamo Bay, Normandy Beach and the Katrina-damaged Gulf coast for firsthand reports. "The Magazine for a Strong America" has also published exclusive interviews with Secretary of State Condoleezza Rice and Home Depot CEO Bob Nardelli.

Paper prices are 10 percent higher than they were a year ago and are expected to increase again. Postal prices increased 5.5 percent in January and are expected to increase again in April 2007.

National Security Commission



Clarence E. Hill
Florida
Chairman

G. Michael Schlee
Maryland
Director

National Security has been one of the four major pillars of The American Legion since its beginnings in 1919. The Sept. 11, 2001, attacks on America coupled with the worldwide war on terrorism and wars in Iraq and Afghanistan, have spotlighted the need for strong, vibrant and flexible military power. The establishment of the Department of Homeland Security initiatives again demonstrated that national security is every citizen's responsibility. During the past year, The American Legion, through its National Security Commission and its supporting division, has presented its positions and policies on this nation's defense needs to Congress, the executive branch and the American public. In numerous testimonies to Congress as well as press releases, articles and other outreach activities, we have stressed that our national defense must continue to be the best in the world.

Commission Meetings

The commission has met three times since the conclusion of the 87th National Convention. The commission met in conjunction with the National Executive Committee meetings in October 2005 and May 2006 in Indianapolis. The commission's most extensive session was conducted at the Washington Conference, Feb. 27-March 1, 2006. The highlights of that meeting follow:

Joint Session

The first speaker, the Hon. Sean McCormack, assistant secretary for public affairs and Department of State spokesman, addressed the joint session of members. He commented

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on the major regions of the world in which the United States has some visible involvement, from Europe and the Middle East to Asia and the Korean Peninsula, to Africa and South America. The secretary also gave a broad overview of the biggest threats facing the United States since 9/11 and the rise of global terrorism. He also relayed the Department of State's major initiatives of to engage other nations about U.S. assistance abroad in aiding development. When asked about the bid of United Arab Emirates company Dubai Ports World to take over port service contracts for several major U.S. shipping centers, the secretary gave an overview of the review process of such bids by foreign countries and reiterated that port security still remains in the hands of the U.S. government.

The second speaker was Lt. Gen. James T. Conway, director of operations, J-3, Joint Chiefs of Staff. Conway commanded the I Marine Expeditionary Force during two combat tours in Iraq. He began by saying that in our country of 295 million, 2.4 million young men and women are in uniform. He also said that military retention in all of the services, active and reserve, continues to improve despite America being at war. The democratically-elected governments of Iraq and Afghanistan, along with the United States and other allies, can win the war on terrorism. During the question-and-answer period, Conway said that the Feb. 22 bombing of the Al-Askari Mosque in Samarra would not ignite a new civil war, as the Shiites and Sunnis have fought for centuries. He also said that between 70 percent and 75 percent of U.S. casualties are due to roadside improvised explosive devices, or IEDs, and such warfare is not only guerrilla warfare but represents the age-old conflict between armor and anti-armor elements. Gen. Conway closed by saying that the U.S. Armed Forces needs the support of The American Legion.

POW/MIA Update

On the afternoon of Feb. 27, the National Security and Foreign Relations commissions met in joint session to attend a POW/MIA update presented by the Foreign Relations

Commission. The first speakers were Bruce "Rocky" Harder and Jack Kull of the Defense Prisoner of War/Missing Personnel Office (DPMO), who presented a Power Point program describing the current project of remains recovery in Southeast Asia. The Joint POW/MIA Accounting Center (JPAC) is the fieldwork arm of the Defense POW/MIA Office (DPMO), which is charged with on-the-ground site excavation, remains recovery and identification.

Harder and Kull provided highlights of current projects and ongoing programs in Vietnam and North Korea. The use of recovery teams is extensive and places a heavy

demand on their time and skills. Teams include both civilian and cross-branch military personnel who work in various different fields, from public affairs and anthropology to archaeological odontology. Kull emphasized that despite those challenges, each team member is resolved to complete the mission because of the importance of the work to families of missing U.S. servicemembers. He also described the difficulties of the work, including budget constraints and diplomatic challenges with foreign governments.

Ann Mills Griffith, executive director of the National League of Families of Missing from Southeast Asia, provided an update on the status of recovery operations and relations with the government of Vietnam. She touched on The American Legion's work with the League of Families in opposing normalization of trade relations with Vietnam, thanking the Legion for its strong support over the past 30 years.

Business Session

The National Security Commission met in business session Wednesday morning. Auxiliary National Security Chairwoman Rita Navarrete of New Mexico described the Auxiliary's national and homeland security projects. The commission then heard from National Law and Order Chairman George Wehrli, who reported on the initial National Law Enforcement Officer of the Year judging. Chairman Clarence Hill reminded commission members that this year was a renewal year for resolutions at The American Legion's 88th National Convention in Salt Lake City. Pre-convention trip planning includes a visit to nearby Hill Air Force Base and its fighter wing. The National Security Commission also considered

new resolutions at the National Executive Committee Spring Meetings dealing with The American Legion's opposition to a DoD-proposed increase in TRICARE fees, Purple Hearts for U.S. servicemembers who have died in captivity since Dec. 7, 1941, and recycling used nuclear rods or waste. Finally, Chairman Hill, who accompanied National Commander Tom Bock to Guantanamo Bay, reported on his impressions in reviewing living conditions of imprisoned detainees. Deputy Director Mike Duggan then gave a brief rundown on the proposed FY 2007 defense budget. Finally, U.S. Army Col. Bruce Kramme reported on the Army's "Freedom Team Salute" program, which recognizes U.S. Army veterans. It will be featured on the Legion's Web site, as well as in articles in *Dispatch* and *The American Legion Magazine*.

National Security Programs

Blood Donor Activities

The American Legion and American Legion Auxiliary continue to be principal sources of blood supply. Through our vast network of posts and units organized into department programs, Legionnaires and Auxiliary members continue to supply the blood needs of their own members and hospitalized veterans, and under cooperative agreements, to patients in civilian hospitals.

National Commander's Awards

To stimulate department and post activities, the American Legion national commander presents annual awards. Between June 1, 2004, and Aug. 15, 2005, many American Legion departments actively participated in the Blood Donor Program.

The criteria for the National Commander's Awards for post and individual participation are based on Resolution 14, adopted at the Spring Meeting, May 8-9, 1985, of the National Executive Committee. The resolution directs that departments be placed in one of six groups based on size, using standards established by the Membership & Post Activities Committee. The winning departments announced at the 87th National Convention were Colorado, Hawaii, Minnesota, Nebraska, Washington and Wisconsin.

ROTC Programs

Departments continue to do an excellent job of encouraging posts to participate in The American Legion's ROTC Medals Program. From July 1, 2004 to June 30, 2005, more than 7,500 medals were awarded to deserving senior and junior ROTC cadets. Presentations of medals were made to ROTC units in many of the 50 states, the District of Columbia and in overseas departments.

Paul H. Griffith ROTC Trophy

At its October 1975 meeting, the National Executive Committee approved Resolution 21, which established the Paul H. Griffith Trophy for the ROTC Program. The trophy honors the memory of Past National Commander Paul H. Griffith, who served as an assistant secretary of defense and throughout his lifetime maintained an active interest in our nation's defense.

The criterion for determining the trophy winner is based on the department or departments giving the greatest degree of support to ROTC units, including the number of medals presented and Legion participation in award day ceremonies. The winning departments announced at the 87th National Convention were Alaska, Colorado, Hawaii, Minnesota and Montana. This speaks well for these departments and The American Legion in their recognition of the youth of America enrolled in Senior ROTC and Junior ROTC programs.

National Law Enforcement Officer of the Year Award

This prestigious award will be presented for the 10th consecutive year at the 88th National Convention. It recognizes law-enforcement officers who have selflessly distinguished themselves over and above their normal duties, primarily through community service and professional achievement. Twenty-two departments submitted candidates for the 2006 award.



Public Relations Commission



Robert L. Morrill
New York
Chairman

Joseph H. March
Maryland
Director

The Public Relations Commission communicates the organizational image, goals, programs and legislative positions of The American Legion to national, regional and specialized media, corporate America and the public.

Working closely with the Citizens Flag Alliance, the commission coordinated press conferences, provided and coordinated interviews, developed talking points, produced radio announcements and print ads, and placed them in selected states in support of the flag amendment, S.J.R. 12.

In conjunction with the Americanism Commission, and in support of resolutions 326 and 166, the Public Relations Commission developed the booklet "In the Footsteps of the Founders" to provide posts a comprehensive guide to use in activating communities to support H.R. 2679, the Public Expression of Religion Act. PERA would prevent judges from awarding taxpayer monies in attorney fees in litigation against veterans memorials, Boy Scouts of America and symbols of religious heritage.

The commission staff also worked with VA&R in the development of a post guide that provides useful information on participation in the "Heroes to Hometowns" program. Since signing a memorandum of understanding with the Department of Defense, The American Legion has established an office at the Military Severely Injured Center at the Pentagon to facilitate the transition of wounded troops back home with the assistance of local posts. The guides provide tools posts can use in coordinating this program in their respective communities.

In support of Resolution 169, the commission produced a DVD training video to augment recently updated event-planning guides for posts conducting an annual Blue Star Salute. The video provides valuable planning information based on a real event that enjoyed tremendous public recognition and success.

The latest and fastest growing American Legion information product is "The Weekly Update." Designed to provide "breaking" Legion news directly to any member (and non-member) interested, the e-newsletter is a direct link to the latest news affecting veterans and their families, active-duty and Reserve military, National Guard, and Legion posts and programs. Subscribe by sending an e-mail request to pr@legion.org.

PR Tools

A vast array of free public-service media materials – including the Public Relations Handbook, news releases, message points, and radio and television spots – were provided to departments, districts and posts. All materials are free and designed for local contact information. The newest DVD is a public-relations training video titled "Developing An Effective Post Public-Relations Program," a comprehensive, informative and entertaining presentation on the practical aspects of post image enhancement, community relations and media relationship development. The production augments the Public Relations Handbook. Most PR tools are available for download at The American Legion Web site, www.legion.org, including new suggested speeches for Memorial Day, Flag Day and Veterans Day. The Veterans Media Data Bank continues to be a resource for news media. Legionnaires interested in participating in this program can call the Public Relations Division or register at www.legion.org.

Media Relations

From its presence in the nation's capital, the National Public Relations Commission continued to facilitate major-media coverage of The American Legion's advocacy. National stories with American Legion input included the VA data theft of a laptop containing personal information on 26 million veterans and active-duty personnel (Associated Press, *The Washington Post*, *The Washington Times*, *The New York Times*, CBS News Radio, Associated Press, *Army Times*, and numerous regional and state pick-up); the VA budget

and the influx of current war veterans into the system (all major news wires and publications, including *The Associated Press*, Gannett News Service, *The Los Angeles Times*, *The Washington Times*, *The Washington Post*, *USA Today*, *Congressional Quarterly*). Other stories include immigration reform and border security (*The Hill* published National Commander Tom Bock's op-ed, as well as a few regional publications); the underestimated cost of PTSD (*Kansas City Star*, *USA Today*); the New Orleans VA Medical Center closure and care for veterans in that region (*USA Today*); the flag amendment (*The Washington Times*, *Notional Journal*, CNN, Fox News, Scripps Howard News Service, *USA Today*, *The Wall Street Journal* and the *Troy Record*, in addition to many other hits and numerous publications of op-eds by Maj. Gen. Patrick Brady); the ongoing battle between Boy Scouts of America and the ACLU over government sponsorship of Scouting activities and the ACLU's attack on religious symbols throughout the country (Legionnaire and Attorney Rees Lloyd has led the PERA/ACLU battle in the media, appearing on Fox News Channel and other network programs; other media hits include *World Net Daily*, *Coral Ridge Ministries*, and numerous regional and national radio talk programs); and the war on terrorism and Resolution 169. In addition, hundreds of local and regional media queries were answered on a wide range of national security, veterans affairs and Legion program issues.

Awards

At the 46th Washington Conference, The American Legion presented the National Commander's Public Relations Award to John Fales, a.k.a. "Sgt. Shaft," for his relentless and uncompromising pursuit of truth as a professional journalist, his support of U.S. veterans and his unwavering commitment to America.

The American Legion Fourth Estate Award will be presented during this convention to the *Post-Crescent* of Appleton, Wis. "Have We Forgotten? Wisconsin's War Memorials," a series written by bureau chief Ben Jones and Jaime Mara, is a moving and informative look at the poor upkeep of Wisconsin war memorials over the years.

The Future

The National Public Relations Commission continues to explore and engage the communication potential of emerging technologies. In so doing, The American Legion will continue to be the preeminent voice of and for our nation's veterans.

Veterans Affairs & Rehabilitation Commission



K. Robert Lewis
Connecticut
Chairman

Peter S. Gaytan
Maryland
Director

As one of The American Legion's cornerstone programs, the National Veterans Affairs & Rehabilitation Commission advocates for the equitable treatment of veterans and their families in obtaining benefits and services. VA&R provides direct assistance in a variety of ways, including claimant representation for disability claims and appeals, health-care advocacy, military discharge reviews and upgrades, deployment health and environmental exposures, and memorial benefits. Additionally, VA&R staff maintain an active voice in congressional deliberations about VA matters and have a well-established and respected working relationship with the Department of Veterans Affairs that includes regular participation in major VA advisory committees.

Board of Veterans Appeals and the VA Washington Regional Office

Thirteen American Legion appeals representatives are co-located at the Board of Veterans Appeals in Washington. They navigate a maze of regulation and veterans law representing veterans denied benefits to which they feel they are entitled. The American Legion National VA&R staff also maintain a presence at the VA Washington Regional Office and Appeals Management Center and handle original claims as well as appeals remanded from the Board of Veterans Appeals.

VA Health Care

VA&R's Field Service Unit is comprised of four representatives who regularly travel to VA medical facilities around the country and report on the impact of VA's health-care policies on veterans and their families.

The American Legion continues to monitor all aspects of the Department of Veterans Affairs Health Administration's (VHA) policies. In particular, the "System Worth Saving" Task Force is finishing up its third year of conducting site visits to VA medical centers. Site visits focus on the state of VA health care at the facility level. This summer the task force will publish its fourth report.

The American Legion has been actively involved in the Capital Asset Realignment for Enhanced Services (CARES) process over the past several years. On the horizon are ongoing CARES Local Advisory Panel (LAP) meetings and pending decisions on health-care delivery at 16 locations.

Military Discharge Review

Two VA&R employees are assigned to review veterans' military records and assist in obtaining reviews that may result in an upgrade in a veteran's character of discharge.

Heroes to Hometown (H2H)

The Heroes to Hometown program establishes a partnership between The American Legion and the Department of Defense, and authorizes The American Legion to receive the names and locations of severely injured U.S. servicemembers who request assistance with the often-daunting transition from the military.

DoD has provided a desk in the program's satellite office at the Pentagon for a Legion staff member to work full-time as a liaison with staff at the Military Severely Injured Center. Within this program, The American Legion will be the lead coordinating organization in each state. Local community leaders will link their efforts with national-level organizations and agencies. State-level military representatives will assist in communicating potential needs of a severely injured servicemember.

This is a groundbreaking initiative that positions The American Legion to do what we do best: serving those who served. It provides The American Legion an opportunity to reach our newest veterans and help them experience a seamless transition from the military.

Resolutions

At this year's fall and spring commission meetings, the VA&R Commission endorsed nine resolutions affecting veterans. Resolutions included Support of the Coalition to Salute America's Heroes, The American Legion Policy to Address the Changing Needs of Women Veterans, Open-Ended Presumptive Period for Undiagnosed Illness for Gulf War Veterans, Support for Independent Review of Servicemembers Transition Process from the Department of Defense to the Department of Veterans Affairs, Veterans Disability Commission, Scheduling of the National Commander's Annual Congressional Testimony, Support Legislation to Place Mariner Medal Recipients in Priority Group 3 for VA Health Care and The American Legion Position on Attorney Representation Before the Department of Veterans Affairs.

Testimony

VA&R provides the views of The American Legion on a variety of issues relating to the health and welfare of the veteran. Several times a year, before the Veterans Affairs Committees of the House of Representatives and Senate, lawmakers hear the voice of the 2.6 million members of The American Legion.

The VA&R Commission will continue the fight to ensure that VA will indeed be capable of fulfilling its mission to "care for him who shall have borne the battle, and his widow and his orphan."

Administrative Services

Daniel S. Wheeler

Virginia

Executive Director

Three major responsibilities are assigned to the executive director, whose office is located at National Headquarters, Indianapolis:

- During temporary absences of the national adjutant from The American Legion National Headquarters, he acts for him. He additionally performs such duties as may be assigned to him by the national adjutant to assist in meeting the responsibilities of that office.
- He oversees *The American Legion Magazine* and administrative services, which includes the following divisions: Human Resources, Maintenance, Library, and the E.A. Blackmore Museum.
- He serves on the Personnel Committee, HPC Board of Directors, the IT Committee, and various other committees as needed.

The Administrative Services Division also provides all secretarial assistance to the executive officers of The American Legion. All division directors resident at National Headquarters in Indianapolis report to the executive director.





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The American Legion National Headquarters
Indianapolis, Indiana

We have audited the accompanying consolidated statements of financial position of The American Legion National Headquarters and its wholly owned subsidiary as of December 31, 2005 and 2004 and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Legion's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of The American Legion National Headquarters as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Crowe Chizek and Company LLC
Crowe Chizek and Company LLC

Indianapolis, Indiana
March 1, 2006

The American Legion National Headquarters Consolidated Statement of Financial Position
December 31, 2005 and 2004

	2005	2004		2005	2004
ASSETS					
Cash and cash equivalents	\$ 1,917,159	\$ 1,381,375	Accounts payable	\$ 2,178,275	\$ 1,839,795
Accounts receivable			Scholarships payable	874,044	928,731
Emblem Division	100,047	41,190	Deposits on emblem merchandise sales	102,001	163,228
Publications Division	1,176,332	953,777	Deferred advertising income	148,691	119,039
Other	847,634	1,016,308	Deferred dues income	19,356,625	19,834,053
Prepaid expenses and deposits	616,721	731,414	Deferred income - direct membership solicitation	2,546,874	1,128,318
Deferred membership expense	7,330,341	4,296,136	Accrued vacation benefits	540,107	563,562
Inventories			Other liabilities	895,280	460,250
Emblem Division	1,910,534	2,099,652	Notes payable	2,774,142	2,925,294
Publications Division	658,333	487,104	Deferred dues income - Paid-Up-For-Life memberships	14,156,061	20,007,766
Investment in affiliate (CFA)	48,012	61,809	Life memberships due to states and local posts	23,908,013	26,057,105
Beneficial interest in trust	405,500	-		67,480,113	74,027,141
Prepaid pension expense	16,703,768	16,504,933			
	31,714,381	27,573,698	NET ASSETS		
			Unrestricted - general	21,589,719	15,493,870
			Unrestricted - designated		
Investments			Citizens Flag Alliance	48,012	61,809
Segregated for restricted and reserved funds	22,790,512	22,416,614	Computer reserve	500,000	500,000
Segregated for Washington, D.C. building	2,146,419	2,023,384	Convention reserve	100,000	100,000
Overseas Graves Decoration Fund	916,163	932,165	Convention stabilization	240,275	556,842
Paid-Up-For-Life Membership Fund	35,119,582	38,317,792	Employee insurance stabilization	100,000	100,000
Other	33,969,589	36,543,285	Paid-Up-For-Life Membership Fund	411,711	1,640,050
Special account - endowment fund	2,079,362	2,132,015	Real estate reserve	2,553,096	2,602,898
General account - endowment fund	5,862,361	6,013,212	Reserve fund	2,198,448	2,263,190
	102,883,988	108,378,467	Restricted fund	20,573,647	20,133,375
Property and equipment			Youth programs (Life Insurance Plan)	3,659,892	4,196,834
Washington, D.C. real estate			Veteran's rehabilitation / child welfare (special account)	2,000,000	2,000,000
Land	80,000	80,000	Sons of the American Legion	511,754	967,769
Building	4,484,147	4,484,147	Others	805,968	896,048
Indianapolis real estate				55,292,522	51,512,685
Land					
Building	389,264	389,264	Temporarily restricted		
Indianapolis	3,611,779	3,611,779	Buick scholarship	682,716	694,855
Furniture, fixtures and equipment			Overseas Graves Decoration Fund	922,137	933,042
National Headquarters, Indianapolis, Indiana	4,673,647	5,072,769	Samsung scholarship	2,437,232	2,703,141
Washington, D.C.	1,010,105	965,045	National Emergency Fund	1,524,788	1,254,963
Haynes and Partners Communications, Inc.	886,830	878,153	Others	1,746,760	1,074,958
	15,135,772	15,481,157		7,313,633	6,660,959
Accumulated depreciation	(8,123,834)	(8,077,391)	Permanently restricted		
	7,011,938	7,403,766	Samsung scholarship	5,000,000	5,000,000
			American Legion Endowment Fund	6,524,039	6,155,146
				11,524,039	11,155,146
			Total net assets	74,130,194	69,328,790
				\$ 141,610,307	\$ 143,355,931

See accompanying notes to financial statements

(continued)

The American Legion National Headquarters Consolidated Statements of Activities
Year ended December 31, 2005

	Unrestricted <u>General</u>	Unrestricted <u>Designated</u>	Unrestricted <u>Total</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Grand <u>Total</u>
Revenue, gains and other support						
National member dues	\$ 20,446,989	\$ 2,053,836	\$ 22,500,825	\$ -	\$ -	\$ 22,500,825
Direct membership solicitations	2,324,017	-	2,324,017	-	-	2,324,017
Member service fees income	1,476,238	392,935	1,869,173	-	-	1,869,173
Financial program income	402,585	-	402,585	-	-	402,585
Sales of emblem items	9,979,778	-	9,979,778	-	-	9,979,778
Advertising	8,481,743	-	8,481,743	-	-	8,481,743
Contributions	326,013	-	326,013	3,053,881	564,630	3,944,524
Label and printing fees	1,728,606	-	1,728,606	-	-	1,728,606
Sales - HPC	612,992	-	612,992	-	-	612,992
Interest and dividends, net of trustee fees of \$242,055	596,060	1,434,707	2,030,767	789,486	-	2,820,253
Net realized losses	(48,501)	(230,850)	(279,351)	(199,491)	(40,666)	(519,508)
Other	<u>1,914,922</u>	<u>265,419</u>	<u>2,180,341</u>	<u>-</u>	<u>-</u>	<u>2,180,341</u>
	48,241,442	3,916,047	52,157,489	3,643,876	523,964	56,325,329
Net assets released from restriction	2,561,581	294,935	2,856,516	(2,856,516)	-	-
Net assets released from designation	<u>4,536,315</u>	<u>(4,536,315)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	55,339,338	(325,333)	55,014,005	787,360	523,964	56,325,329
Expenses						
Salaries	11,103,087	-	11,103,087	-	-	11,103,087
Employee benefits	2,872,249	-	2,872,249	-	-	2,872,249
Cost of sales - Legion	7,864,453	-	7,864,453	-	-	7,864,453
Cost of sales - HPC	474,656	-	474,656	-	-	474,656
Direct publication	10,635,653	-	10,635,653	-	-	10,635,653
Executive and staff travel	752,508	-	752,508	-	-	752,508
Commission and committee	1,651,630	-	1,651,630	-	-	1,651,630
Printing and postage	2,121,720	-	2,121,720	-	-	2,121,720
Scholarships, grants and awards	1,384,524	-	1,384,524	-	-	1,384,524
Office and other operating	9,470,847	-	9,470,847	-	-	9,470,847
Occupancy and usage	2,329,963	-	2,329,963	-	-	2,329,963
Special projects and programs	<u>5,059,366</u>	<u>-</u>	<u>5,059,366</u>	<u>-</u>	<u>-</u>	<u>5,059,366</u>
	55,720,656	-	55,720,656	-	-	55,720,656
Transfer from convention stabilization to general fund	366,497	(366,497)	-	-	-	-
Change in net assets before net unrealized gains (losses)	(14,821)	(691,830)	(706,651)	787,360	523,964	604,673
Net unrealized gains - PUFL annuity	6,401,784	-	6,401,784	-	-	6,401,784
Net unrealized losses - investments	<u>(84,119)</u>	<u>(1,831,177)</u>	<u>(1,915,296)</u>	<u>(134,686)</u>	<u>(155,071)</u>	<u>(2,205,053)</u>
Change in net assets	6,302,844	(2,523,007)	3,779,837	652,674	368,893	4,801,404
Net assets, beginning of year, as restated	15,493,870	36,018,815	51,512,685	6,660,959	11,155,146	69,328,790
Transfer of funds	<u>(206,995)</u>	<u>206,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 21,589,719</u>	<u>\$ 33,702,803</u>	<u>\$ 55,292,522</u>	<u>\$ 7,313,633</u>	<u>\$ 11,524,039</u>	<u>\$ 74,130,194</u>

See accompanying notes to financial statements

The American Legion National Headquarters Consolidated Statements of Activities
Year ended December 31, 2004

	Unrestricted <u>General</u>	Unrestricted <u>Designated</u>	Unrestricted <u>Total</u>	Temporarily <u>Restricted</u>	Permanently <u>Restricted</u>	Grand <u>Total</u>
Revenue, gains and other support						
National member dues	\$ 20,968,656	\$ 2,037,690	\$ 23,006,346	\$ -	\$ -	\$ 23,006,346
Direct membership solicitations	2,038,819	-	2,038,819	-	-	2,038,819
Member service fees income	1,475,827	507,863	1,983,690	-	-	1,983,690
Financial program income	284,903	-	284,903	-	-	284,903
Sales of emblem items	10,021,586	-	10,021,586	-	-	10,021,586
Advertising	8,686,645	-	8,686,645	-	-	8,686,645
Contributions	1,089,614	-	1,089,614	704,081	43,620	1,837,315
Label and printing fees	1,717,060	-	1,717,060	-	-	1,717,060
Sales - HPC	743,941	-	743,941	-	-	743,941
Interest and dividends, net of trustee fees of \$218,764	493,592	1,397,613	1,891,205	922,258	-	2,813,463
Net realized gains (losses)	3,606	(194,900)	(191,294)	15,123	(27,007)	(203,178)
Other	<u>1,255,680</u>	<u>762,729</u>	<u>2,018,409</u>	<u>-</u>	<u>-</u>	<u>2,018,409</u>
	48,779,929	4,510,995	53,290,924	1,641,462	16,613	54,948,999
Net assets released from restriction	1,146,852	-	1,146,852	(1,146,852)	-	-
Net assets released from designation	<u>4,015,427</u>	<u>(4,015,427)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>53,942,208</u>	<u>495,568</u>	<u>54,437,776</u>	<u>494,610</u>	<u>16,613</u>	<u>54,948,999</u>
Expenses						
Salaries	11,952,184	-	11,952,184	-	-	11,952,184
Employee benefits	2,705,451	-	2,705,451	-	-	2,705,451
Cost of sales - Legion	7,215,602	-	7,215,602	-	-	7,215,602
Cost of sales - HPC	603,681	-	603,681	-	-	603,681
Direct publication	10,744,666	-	10,744,666	-	-	10,744,666
Executive and staff travel	851,379	-	851,379	-	-	851,379
Commission and committee	1,368,432	-	1,368,432	-	-	1,368,432
Printing and postage	2,209,734	-	2,209,734	-	-	2,209,734
Scholarships, grants and awards	1,121,141	-	1,121,141	-	-	1,121,141
Office and other operating	9,755,825	-	9,755,825	-	-	9,755,825
Occupancy and usage	1,994,054	-	1,994,054	-	-	1,994,054
Special projects and programs	<u>2,725,381</u>	<u>-</u>	<u>2,725,381</u>	<u>-</u>	<u>-</u>	<u>2,725,381</u>
	53,247,530	-	53,247,530	-	-	53,247,530
Change in net assets before net unrealized gains (losses)	694,678	495,568	1,190,246	494,610	16,613	1,701,469
Net unrealized losses - PUFL annuity	(545,000)	-	(545,000)	-	-	(545,000)
Net unrealized gains (losses) - investments	<u>(276,453)</u>	<u>376,062</u>	<u>99,609</u>	<u>281,022</u>	<u>(111,116)</u>	<u>269,515</u>
Change in net assets	(126,775)	871,630	744,855	775,632	(94,503)	1,425,984
Net assets, beginning of year, as previously reported	16,486,323	34,530,489	51,016,812	5,636,345	11,249,649	67,902,806
Prior period adjustment	<u>(248,982)</u>	<u>-</u>	<u>(248,982)</u>	<u>248,982</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year, as restated	16,237,341	34,530,489	50,767,830	5,885,327	11,249,649	67,902,806
Transfer of funds	<u>(616,696)</u>	<u>616,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 15,493,870</u>	<u>\$ 36,018,815</u>	<u>\$ 51,512,685</u>	<u>\$ 6,660,959</u>	<u>\$ 11,155,146</u>	<u>\$ 69,328,790</u>

See accompanying notes to financial statements

The American Legion National Headquarters Consolidated Statements of Cash Flow
Year ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities		
Change in net assets	\$ 4,801,404	\$ 1,425,984
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation expense	812,432	835,173
Loss on sale of fixed assets	1,535	19,313
(Gain) loss on sale of investments	519,508	(74,620)
Unrealized (gain) loss on investments	2,205,053	(254,723)
(Gain) loss on Paid-Up-For-Life annuity	(6,401,784)	545,000
Contributions restricted for long-term purposes	(564,630)	(43,620)
Accounts receivable	(112,738)	412,223
Prepaid expenses and deposits	(84,142)	(140,346)
Deferred membership expense	(3,034,205)	226,050
Inventories	17,889	426,577
Investment in affiliate (CFA)	13,797	13,050
Beneficial interest in trust	(405,500)	-
Accounts and scholarships payable	283,793	(607,251)
Deferred income	(689,460)	(1,788,649)
Other accrued liabilities	<u>411,575</u>	<u>(180,462)</u>
Net cash from operating activities	(2,225,473)	813,699
Cash flows from investing activities		
Purchase of property and equipment	(422,139)	(1,084,354)
Purchase of investments	(80,525,205)	(55,798,574)
Sales and maturities of investments	<u>83,295,123</u>	<u>55,499,858</u>
Net cash from investing activities	2,347,779	(1,383,070)
Cash flows from financing activities		
Contributions restricted for long-term purposes	564,630	43,620
Payments on line of credit	<u>(151,152)</u>	<u>(143,367)</u>
Net cash from financing activities	<u>413,478</u>	<u>(99,747)</u>
Net increase (decrease) in cash and cash equivalents	535,784	(669,118)
Cash and cash equivalents, beginning of year	<u>1,381,375</u>	<u>2,050,493</u>
Cash and cash equivalents, end of year	<u>\$ 1,917,159</u>	<u>\$ 1,381,375</u>
Supplemental cash flows information		
Income taxes paid	\$ 296,928	\$ 41,290
Interest paid	151,404	160,396

See accompanying notes to financial statements

The American Legion National Headquarters Notes to Financial Statements

Year ended December 31, 2005 and 2004

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General: The American Legion National Headquarters (Legion) is a national veterans organization which was declared to be a corporate body by an Act of the United States Congress on September 16, 1919.

According to the Original Act and Subsequent Amendments, the purpose of the Legion is, "To uphold and defend the Constitution of the United States of America; to promote peace and goodwill among the peoples of the United States and all the nations of the earth; to preserve the memories and incidents of the two World Wars and the other great hostilities fought to uphold democracy; to cement the ties and comradeship born of service; and to consecrate the efforts of its members to mutual helpfulness and service to their country."

Approximately 40% of the Legion's income each year is derived from membership dues (including amounts allocated for magazine subscriptions). An additional 15% is generated through advertising for *The American Legion Magazine*. Another significant source of income is Emblem Sales, which includes the sale of apparel, jewelry, and other items bearing the American Legion Emblem. Income is expended by the Legion on several different programs including *The American Legion Magazine*, Emblem Sales, veterans assistance and rehabilitation, youth programs and others. The Legion's youth programs include American Legion Baseball, The National Oratorical Contest and Boy's Nation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reported period. Actual results could differ from those estimates.

Principles of Consolidation: The consolidated financial statements include the accounts of The American Legion National Headquarters, and its wholly owned subsidiary, Haynes and Partners Communications, Inc. (HPC); the American Legion Endowment Fund Corporation (ALEF); and the National Emergency Fund (NEF) (collectively, the Legion). All material inter-organizational accounts and transactions have been eliminated in consolidation. Haynes and Partners Communications, Inc., an Indiana corporation, is a full-service, direct marketing and advertising agency whose services include innovative marketing and creative automated mailing. The majority of its sales are to the Legion. The remaining sales are made primarily within the State of Indiana. American Legion Endowment Fund Corporation, a tax-exempt Indiana corporation, was created to provide permanent funding for the rehabilitation of American veterans and assistance to orphans of veterans. The National Emergency Fund is a tax-exempt trust established to provide gifts and grants to relieve suffering and ameliorate financial hardship incurred by American Legion members, families and posts.

Net Asset Classifications: The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted and permanently restricted.

The following classes of net assets are maintained:

Unrestricted Net Assets – The unrestricted net asset class includes general assets and liabilities of the Legion, as well as assets and liabilities designated by the National Executive Committee, the governing body of the Legion. The unrestricted net assets of the Legion may be used at the discretion of management to support the Legion's purposes and operations.

Temporarily Restricted Net Assets – The temporarily restricted net asset class includes assets of the Legion related to gifts with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. Unconditional promises to give that are due in future periods and are not permanently restricted are classified as temporarily restricted net assets.

Permanently Restricted Net Assets – The permanently restricted net asset class includes assets of the Legion for which the donor has stipulated that the contribution be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets

or its economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose.

Cash and Cash Equivalents: For purposes of reporting cash flows, the Legion considers all liquid investments with an original maturity of three months or less to be cash equivalents, except for those investments held or part of a managed portfolio. The first \$100,000 of deposits per financial institution is insured by a government agency.

Inventory: Inventory consists of Emblem items held for sale, magazine paper and publication rights and is stated at the lower of cost or market. Inventory items are valued at average cost. Supplies which are not intended for sale are expensed when purchased.

Investments: Investments held by Haynes and Partners Communications, Inc. (HPC), a wholly owned subsidiary of the Legion, are classified as held-to-maturity securities and are carried at amortized cost. Realized gains or losses are determined based on the amortized cost of the specific security sold. Interest and dividend income, adjusted by amortization of purchase premium or discount, is included in earnings. Securities with declines in fair value below amortized cost that are other than temporary are written down to fair value by a charge to earnings.

All other Legion investments are carried at fair value. Realized and unrealized gains and losses are reflected in the consolidated statements of activities. Premiums or discounts on investments are generally recognized at the time of disposal or maturity.

Property and Equipment: Expenditures for property and equipment and items which substantially increase the useful lives of existing assets and are greater than \$300 are capitalized at cost. The Legion provides for depreciation on the straight-line method at rates designated to depreciate the costs of assets over their estimated useful lives.

Depreciation on buildings is computed on the straight-line method using a 30-year life. All other capital assets are depreciated over lives ranging from three to seven years.

Collections: The Legion owns many collectible military-related items and historical documents which were not recorded as they were acquired. It is often impracticable to determine a value for collections and accordingly, the Legion has concluded that they need not be capitalized. These items have been or are in the process of being appraised for insurance purposes.

Support and Revenue: The Legion reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Dues Income and Expense: Dues are recognized as income over the applicable membership period, which is on a calendar-year basis.

In addition to other methods of obtaining new members, the Legion uses direct mail and other direct marketing approaches. The income generated from direct membership solicitation is recognized over the applicable membership period (calendar year). The direct-response expenses incurred in obtaining new members are deferred and written off in the subsequent membership year.

Income Taxes: The Legion is exempt from federal income taxes under section 501(c)(19) of the U.S. Internal Revenue Code. ALEF and NEF are exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. None of these organizations are considered to be private foundations. The Legion is subject to income tax on unrelated business income. The Legion paid and incurred expense of \$65,928 and \$0 in income taxes in 2005 and 2004.

HPC records income tax expense based on the amount of taxes due on its tax return plus deferred taxes computed based on the expected future tax consequences of temporary differences between the carrying amounts and tax bases of assets and liabilities, using enacted tax rates. Federal and state income tax expense is recorded for HPC, a for-profit corporation, as incurred, and is disclosed in Note 14.

Fair Value of Financial Instruments: The carrying amount of all financial instruments of the Legion approximate their fair values, with the exception of held-to-maturity investments as disclosed in Note 5.

Expense Allocation: Expenses have been classified as program services, management and general, member development and fund raising based on actual

The American Legion National Headquarters Notes to Financial Statements
Year ended December 31, 2005 and 2004

direct expenditures. Additionally, some expenses are allocated among departments based upon estimates of the amount of time spent by Legion employees performing services for these departments.

Prior Period Adjustment: An error resulting in the misclassification of net assets between the Legion and NEF has been corrected in the current year. The information presented in these statements for the year ended December 31, 2004, has been adjusted to correct amounts presented for that period. The prior period adjustment affects previously reported unrestricted net assets of the Legion and temporarily restricted net asset of NEF. Adjustments to net assets at January 1, 2004, are as follows:

Net assets at January 1, 2004, as previously reported	\$67,902,806
Reduce Legion unrestricted, general net assets	(248,982)
Increase NEF temporarily restricted net assets	248,982
Net assets at January 1, 2004, as restated	\$67,902,806

NOTE 2 – COLLECTIONS

The Legion owns many collectible military-related items and historical documents which were not recorded as they were acquired. It is often impracticable to determine a value for collections and accordingly, the Legion has concluded that they need not be capitalized. These items have been appraised, or are in the process of being appraised for insurance purposes and are as follows:

	Appraisal Date	Replacement Value
World War II Posters	03/11/2005	\$472,919
Military Unit Histories	03/18/2005	\$112,410
Original GI Bill	not complete	
Firearms Collection	not complete	
Uniforms	not complete	
Other Collections	not complete	

NOTE 3 – INVESTMENT IN AFFILIATE

The Legion, in conjunction with approximately 120 other organizations, has created a nonprofit corporation known as The Citizens Flag Alliance, Inc. (CFA) for the purpose of aiding in the campaign to secure a constitutional amendment empowering the Congress and the States to enact legislation to protect the Flag of the United States of America from physical desecration.

CFA recognized a decrease in net assets of \$13,797 and \$13,050 in 2005 and 2004, respectively. Accordingly, the Legion's investment in CFA has been decreased by these amounts and corresponding changes have been reflected in unrestricted designated net assets for 2005 and 2004.

NOTE 4 – BENEFICIAL INTEREST IN CHARITABLE LEAD TRUST

In 2005, the ALEF was named a beneficiary of a charitable lead trust. Under the charitable trust, the ALEF is to receive quarterly distributions in the amount of \$9,919 for 15 years, or until the funds of the trust are exhausted. Based on the term of the trust and a 5.4% discount rate, the present value of future benefits expected to be received by the ALEF was estimated to be \$405,500 at December 31, 2005, and is recorded as a permanently restricted asset.

NOTE 5 – INVESTMENTS

The carrying amount, unrealized gains and losses, and fair value of debt securities held-to-maturity held by HPC at December 31, 2005, are as follows:

	Carrying Amount	Unrealized Gains	Unrealized Losses	Fair Value
2005				
Due within 1 year	\$221,970	\$ -	\$345	\$221,625
Due 1-5 years	671,358	-	10,841	660,517
Total	\$893,328	\$ -	\$11,186	\$882,142

The carrying amount plus accrued interest for these investments was \$901,381 at December 31, 2005. HPC had no investments at December 31, 2004.

The market value for all other investments at December 31 are as follows:

2005 Market

	Segregated for Restricted and Reserve Funds	Segregated for Washington D.C. Building	Overseas Graves Decoration Fund	Paid-Up- For-Life Membership Program	Other	Total
U.S. Government obligations	\$ 21,720,362	\$ 2,090,695	\$ 881,997	\$ 17,298,001	\$ 25,048,305	\$ 67,039,360
State and Municipal Bonds	-	-	-	156,999	-	156,999
Corporate Bonds	-	-	-	8,394,810	3,255,221	11,650,031
Foreign Bonds	-	-	-	-	31,817	31,817
Common and preferred stocks	-	-	-	8,346,940	854,049	9,200,989
Mutual funds	-	-	-	-	383,173	383,173
Money market accounts	811,917	35,910	26,846	581,813	11,044,917	12,501,403
Accrued interest	258,233	19,814	7,320	341,019	392,449	1,018,835
	<u>\$ 22,790,512</u>	<u>\$ 2,146,419</u>	<u>\$ 916,163</u>	<u>\$ 35,119,582</u>	<u>\$ 41,009,931</u>	<u>\$ 101,982,607</u>

The American Legion National Headquarters Notes to Financial Statements
Year ended December 31, 2005 and 2004

2004 Market

	Segregated for Restricted and Reserve Funds	Segregated for Washington D.C. Building	Overseas Graves Decoration Fund	Paid-Up- For-Life Membership Program	Other	Total
U.S. Government obligations	\$ 21,814,545	\$ 1,970,794	\$ 884,276	\$ 16,482,398	\$ 26,242,108	\$ 67,394,121
State and Municipal Bonds	-	-	-	336,006	-	336,006
Corporate Bonds	-	-	-	10,671,213	3,907,899	14,579,112
Foreign Bonds	-	-	-	-	33,013	33,013
Common and preferred stocks	-	-	-	9,705,550	-	9,705,550
Mutual funds	-	-	-	-	1,885,973	1,885,973
Money market accounts	353,474	29,273	35,534	761,963	12,257,849	13,438,093
Accrued interest	<u>248,595</u>	<u>23,317</u>	<u>12,355</u>	<u>360,662</u>	<u>361,670</u>	<u>1,006,599</u>
	<u>\$ 22,416,614</u>	<u>\$ 2,023,384</u>	<u>\$ 932,165</u>	<u>\$ 38,317,792</u>	<u>\$ 44,688,512</u>	<u>\$ 108,378,467</u>

NOTE 6 – LONG TERM DEBT

In 2003, the Legion refinanced its long-term debt on its facility for Emblem Sales, Information Technology, Member Benefits and HPC. This debt is payable in monthly installments of \$25,213, including interest, beginning July 30, 2003, with a stated rate of 5.3% and final payment due August 1, 2018. The outstanding balance on long-term debt is \$2,774,142 and \$2,925,294 for 2005 and 2004.

The future maturities for the line of credit are as follows:

2006	\$ 158,662
2007	167,276
2008	176,561
2009	185,939
2010	196,036
Thereafter	1,889,668
	<u>\$ 2,774,142</u>

NOTE 7 – LEASES

The Legion has several noncancelable operating leases, primarily for facilities, computer equipment, copiers and cash registers that expire over the next three years. Rental expense for these leases aggregated \$412,508 in 2005 and \$544,286 in 2004.

Future minimum lease payments under operating leases are as follows:

2006	\$ 358,251
2007	95,200
2008	2,616
	<u>\$ 456,067</u>

In addition, the Legion has a lease with the State of Indiana for rental of the National Headquarters building in Indianapolis through June 30, 2006. The lease can be renewed at the option of the Legion for nine additional four-year periods. According to the terms of the lease, the Legion is required to maintain the interior of the building, and provide adequate insurance on the building in lieu of lease payments. The cost of maintenance approximated \$505,000 and \$409,000 in 2005 and 2004. Insurance coverage is included in the Legion's general insurance policy.

NOTE 8 – PAID-UP-FOR-LIFE MEMBERSHIP FUND

The National Executive Committee approved the establishment of a life membership plan available to any member of a participating department. In accordance with the plan, the assets of the Paid-Up-For-Life (PUFL) Membership Fund are segregated in a trust account from which funds equal to the annual dues of life members are withdrawn for current operations each year. The trust agreement provides that the Legion has the right to withdraw part or all of the assets of the trust account and to modify or terminate the trust agreement at its discretion.

Under the terms of the PUFL program, participating member's national, state and local

dues are paid by the Legion for the remainder of the individual's life. Management has estimated and recognized a liability for the future payments to state and local Legion organizations. Likewise, management has deferred recognition of the national dues portion of the members' payment. Deferred PUFL dues are recognized in annual amounts equal to the national dues in effect each year. The liability and deferred revenue amounts are estimated by the Legion's actuaries using PUFL membership summaries and discount rates comparable to the Legion's recent investment performance.

NOTE 9 – RESTRICTED AND RESERVE DESIGNATED FUNDS

The restricted fund is designated for use by the National Finance Commission and National Executive Committee of the Legion. Earnings of the restricted fund, along with the principal, can be expended only upon recommendation of the National Finance Commission and a two-thirds affirmative vote of the National Executive Committee at two successive meetings. It is the policy of the Legion to transfer 10% of the prior year's defined net income to the restricted fund. The Legion transferred \$48,198 and \$150,000 in 2005 and 2004.

The reserve fund is also designated for use by the National Finance Commission and National Executive Committee. However, earnings of the reserve fund may be used for the general operations of the Legion. The principal can be expended only by action of the Legion at its national convention, or by a two-thirds affirmative vote of the National Executive Committee in two successive meetings not less than 60 days apart.

NOTE 10 – LIFE INSURANCE PLAN

During October 1992, the National Executive Committee approved a resolution to terminate the Legion's Life Insurance Trust. Upon dissolution in April 1993, funds remaining in the Trust totaling \$4,285,984 were transferred to a segregated bank trust account (named The American Legion Life Insurance Plan) under control of the Legion for use in youth programs.

The Legion's National Executive Committee has directed that monies within The American Legion Life Insurance Plan used to fund The National Oratorical Contest, Boys' Nation, American Legion Baseball, and other youth programs of the Legion. At December 31, 2005, \$1,065,000 in funds had been approved for use in designated programs during 2006.

NOTE 11 – PERMANENTLY RESTRICTED NET ASSETS

The Legion received \$5,000,000 from The Samsung Group during 1996. The principal is to be permanently endowed and the income is to be used to fund undergraduate scholarships for descendants of Korean War veterans and other wars in which U.S. servicemen and servicewomen participated. Such scholarships are administered by the Legion.

The American Legion National Headquarters Notes to Financial Statements

Year ended December 31, 2005 and 2004

Contributions to The American Legion Endowment Fund are recorded as increases in permanently restricted net assets, the income from which is to be used to support the Veterans Affairs & Rehabilitation and Children & Youth activities of the Legion.

NOTE 12 – NET ASSETS RELEASED FROM DESIGNATION

Net assets were released from designations by satisfying the designations previously established.

	2005	2004
Purpose designations accomplished		
Paid-Up-For-Life memberships	\$ 2,269,325	\$ 2,207,915
Youth programs (Life Insurance Plan)	1,078,262	1,070,892
Sons of The American Legion	456,015	500,275
Citizens Flag Alliance, Inc.	138,797	13,050
Other	593,916	223,295
	<u>\$ 4,536,315</u>	<u>\$ 4,015,427</u>

NOTE 13 – NET ASSETS RELEASED FROM RESTRICTION

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2005	2004
Purpose restrictions accomplished		
Overseas graves decoration	\$ 25,921	\$ 27,723
Scholarships and grants (including relief aid)	2,535,660	689,169
Veterans Affairs and Rehabilitation and Children & Youth programs	294,935	429,608
Other	-	352
	<u>\$ 2,856,516</u>	<u>\$ 1,146,852</u>

NOTE 14 – INCOME TAXES

The provision for income taxes for HPC consists of the following:

	2005	2004
Income tax expense		
Currently payable		
Federal	\$ 191,408	\$ 4,914
State	53,663	3,678
Deferred		
Federal	5,760	25,040
State	1,440	6,260
	<u>\$ 252,271</u>	<u>\$ 39,892</u>

The components of the net deferred tax (liability) asset are as follows:

	2005	2004
Asset		
Net operating loss carryforward	\$ 11,300	\$ 17,200
Liability		
Other	(50,900)	(49,600)
	<u>\$ (39,600)</u>	<u>\$ (32,400)</u>

The deferred tax asset and liability are included in other prepaid expenses and deposits and other liabilities, respectively, in the statement of financial position.

The tax provision is higher than the statutory provision due to the effect of non-deductible expenses.

NOTE 15 – EMPLOYEE BENEFITS

The Legion has a defined-benefit pension plan covering substantially all of its employees as well as those of certain affiliated and subordinated groups. The plan was established in 1944 by vote of the Legion's National Convention. Contributions to the plan are made by the Legion and other participating groups on the basis of annual actuarial valuations.

The plan's assets consist of investments mostly in equity and debt securities. The asset investment policy is a lower risk strategy. The following table sets forth the Legion's target allocation for 2006 and percentage of plan assets at December 31, 2005 and 2004.

Asset Category and Target Allocation	2005	2004
Equity Securities (30 – 40%)	31%	40%
Debt Securities (50 – 70%)	67%	59%
Other (0 – 10%)	2%	1%

Historical returns of multiple asset classes were analyzed to develop a risk-free real rate of return and risk premium for each asset class. The overall rate for each asset class was developed by combining a long-term inflation component, the risk-free real rate of return, and the associated risk premium. A weighted average rate was developed based on those overall rates and the target asset allocation of the plan.

Weighted-average assumptions	2005	2004
Discount rate	5.50%	5.75%
Expected return on plan assets	9.00%	8.50%
Rate of compensation increase	2.00%	2.00%

The following table sets forth the Legion's portion of the plan's funded status and amounts recognized in the Legion's consolidated statement of financial position at December 31, 2005 and 2004.

	2005	2004
Benefit obligation	\$(41,795,955)	\$(37,939,380)
Fair value of plan assets	46,824,232	47,710,767
Funded status	\$5,028,277	\$9,771,387
Accumulated benefit obligation	\$39,887,243	\$36,004,727
Prepaid benefit cost recognized in the statement of financial position	\$16,703,768	\$16,504,933
Benefit cost	\$(26,395)	\$(73,327)
Employer contribution	178,532	180,339
Benefits paid	<u>1,921,273</u>	<u>1,553,721</u>
Measurement date	12/31/2005	12/31/2004

Estimated future benefit payments:

2006	\$2,226,767
2007	2,290,300
2008	2,402,751
2009	2,574,706
2010	2,774,743
Years 2011-2015	15,080,800

HPC maintains a defined-contribution plan under Section 401(k) of the Internal Revenue Code. Elective deferrals are available to employees 21 years of age who have completed one year of eligible service. HPC may make discretionary contributions to this plan. The company's discretionary contributions to the plan in 2005 and 2004 were \$51,114 and \$0, respectively.

NOTE 16 – FUNCTIONAL EXPENSES

The following represents a functional breakdown of the American Legion National Headquarters' expenses by program and supporting services.

	2005	2004
Program services		
Veterans programs and services	\$32,749,318	\$29,971,200
Americanism and Children & Youth activities	2,735,629	2,694,746
Flag education and legislation	244,904	305,100
	<u>35,729,851</u>	<u>32,971,046</u>
Supporting services		
Management and general	\$14,537,769	\$14,665,673
Member development	5,402,751	5,560,556
Fund-raising	50,285	50,255
	<u>19,990,805</u>	<u>20,276,484</u>
	<u>\$55,720,656</u>	<u>\$53,247,530</u>

Member development includes direct response advertising expense of \$3,110,065 and \$3,329,063 for the years ended December 31, 2005 and 2004.

NOTE 17 – LITIGATION

The Legion is currently involved in and/or has been mentioned as a defendant or co-defendant in several legal actions. It is the opinion of the National Judge Advocate that these claims are without merit and any ultimate liability of the Legion with respect to these actions will not materially affect the financial position of the Legion.



Crowe Chizek and Company LLC
Member Horwath International

Members of the National Finance Commission
The American Legion National Headquarters
Indianapolis, Indiana

Our report on our audit of the consolidated financial statements of the American Legion National Headquarters for 2005 and 2004 appears on page 1. That audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information described in the table of contents is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in cursive script that reads 'Crowe Chizek and Company LLC'.

Crowe Chizek and Company LLC

Indianapolis, Indiana
March 1, 2006

The American Legion National Headquarters Reconciliation of Internal Financial Statements to Audited
Financial Statements
Years ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Change in net assets - internal financial statements	\$ (14,821)	\$ 694,678
Change in net assets before net unrealized gains (losses) not included in internal financials		
Unrestricted designated	(691,830)	495,568
Temporarily restricted	787,360	494,610
Permanently restricted	<u>523,964</u>	<u>16,613</u>
	604,673	1,701,469
 Net unrealized gains (losses)		
General	6,317,665	(821,453)
Unrestricted designated	(1,831,177)	376,062
Temporarily restricted	(134,686)	281,022
Permanently restricted	<u>(155,071)</u>	<u>(111,116)</u>
 Change in net assets - audited financial statements	<u>\$ 4,801,404</u>	<u>\$ 1,425,984</u>

Supplementary Information

The American Legion National Headquarters Consolidating Statement of Financial Position December 31, 2005

	<u>American Legion National Headquarters</u>	<u>American Legion Endowment Fund</u>	<u>National Emergency Fund</u>	<u>Haynes and Partners Communications, Inc.</u>	<u>Eliminations</u>	<u>Total</u>
ASSETS						
Cash and cash equivalents	\$ 1,105,216	\$ 20,348	\$ -	\$ 791,595	\$ -	\$ 1,917,159
Accounts receivable						
Emblems	100,047	-	-	-	-	100,047
Publications	1,176,332	-	-	-	-	1,176,332
Related party	-	-	25,516	486,822	(512,338)	-
Other	825,540	77	-	43,083	(21,066)	847,634
Prepaid expenses and deposits	589,122	1,924	-	25,675	-	616,721
Deferred membership expense	7,330,341	-	-	-	-	7,330,341
Due from American Legion						
Endowment Fund	2,000,000	-	-	-	(2,000,000)	-
Inventories						
Emblem division	1,910,534	-	-	-	-	1,910,534
Publication division	658,333	-	-	-	-	658,333
Investment in affiliate (CFA)	48,012	-	-	-	-	48,012
Beneficial interest in trust	-	405,500	-	-	-	405,500
Prepaid pension expense	<u>16,703,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,703,768</u>
	32,447,245	427,849	25,516	1,347,175	(2,533,404)	31,714,381
Investments						
Segregated for restricted and reserve funds	22,790,512	-	-	-	-	22,790,512
Segregated for Washington, D.C. building	2,146,419	-	-	-	-	2,146,419
Overseas Graves Decoration Fund	916,163	-	-	-	-	916,163
Paid-Up-For-Life Membership Fund	35,119,582	-	-	-	-	35,119,582
Other	31,508,259	-	1,559,949	901,381	-	33,969,589
Special account – endowment fund	-	2,079,362	-	-	-	2,079,362
General account – endowment fund	-	5,862,361	-	-	-	5,862,361
Investment in HPC	<u>2,402,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,402,294)</u>	<u>-</u>
	94,883,229	7,941,723	1,559,949	901,381	(2,402,294)	102,883,988
Property and equipment						
Indianapolis real estate						
Land	389,264	-	-	-	-	389,264
Building	3,611,779	-	-	-	-	3,611,779
Washington, D.C. real estate						
Land	80,000	-	-	-	-	80,000
Building	4,484,147	-	-	-	-	4,484,147
Furniture, fixtures and equipment						
National						
Headquarters, Indianapolis	4,673,647	-	-	-	-	4,673,647
Washington, D.C.	1,010,105	-	-	-	-	1,010,105
Haynes and Partners Communications, Inc.	-	-	-	886,830	-	886,830
Accumulated depreciation	<u>(7,422,740)</u>	<u>-</u>	<u>-</u>	<u>(701,094)</u>	<u>-</u>	<u>(8,123,834)</u>
	6,826,202	-	-	185,736	-	7,011,938
Total assets	<u>\$ 134,156,676</u>	<u>\$ 8,369,572</u>	<u>\$ 1,585,465</u>	<u>\$ 2,434,292</u>	<u>\$ (4,935,698)</u>	<u>\$ 141,610,307</u>

(continued)

Supplementary Information

The American Legion National Headquarters Consolidating Statement of Financial Position December 31, 2005

	American Legion National Headquarters	American Legion Endowment Fund	National Emergency Fund	Haynes and Partners Communications, Inc.	Eliminations	Total
LIABILITIES						
Accounts payable	\$ 2,371,915	\$ 820	\$ 60,677	\$ 257,201	\$ (512,338)	\$ 2,178,275
Scholarships payable	874,044	-	-	-	-	874,044
Accounts payable – Legion	-	2,000,000	-	21,066	(2,021,066)	-
Deposits on emblem merchandise sales	102,001	-	-	-	-	102,001
Deferred advertising income	148,691	-	-	-	-	148,691
Deferred dues income	19,356,625	-	-	-	-	19,356,625
Deferred income – direct membership solicitation	2,546,874	-	-	-	-	2,546,874
Accrued vacation benefits	540,107	-	-	-	-	540,107
Other liabilities	741,551	-	-	153,729	-	895,280
Notes payable	2,774,142	-	-	-	-	2,774,142
Deferred dues income						
Paid-Up-For-Life Memberships	14,156,061	-	-	-	-	14,156,061
Life memberships due to state and local posts	<u>23,908,013</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,908,013</u>
	67,520,024	2,000,820	60,677	431,996	(2,533,404)	67,480,113
NET ASSETS						
Unrestricted – general	21,989,717	-	-	-	(399,998)	21,589,719
Unrestricted – designated						
Citizens Flag Alliance	48,012	-	-	-	-	48,012
Computer reserve	500,000	-	-	-	-	500,000
Convention reserve	100,000	-	-	-	-	100,000
Convention stabilization	240,275	-	-	-	-	240,275
Employee insurance stabilization	100,000	-	-	-	-	100,000
Paid-Up-For-Life Membership Fund	411,711	-	-	-	-	411,711
Real estate reserve	2,553,096	-	-	-	-	2,553,096
Reserve fund	2,198,448	-	-	-	-	2,198,448
Restricted fund	20,573,647	-	-	-	-	20,573,647
Youth program (Life Insurance Plan)	3,659,892	-	-	-	-	3,659,892
Veterans' rehabilitation/child welfare (special account)	2,000,000	-	-	-	-	2,000,000
Sons of the American Legion	511,754	-	-	-	-	511,754
Other	<u>961,255</u>	<u>(155,287)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>805,968</u>
	55,847,807	(155,287)	-	-	(399,998)	55,292,522
Temporarily restricted						
Buick scholarship	682,716	-	-	-	-	682,716
Overseas Graves Decoration Fund	922,137	-	-	-	-	922,137
Samsung scholarship	2,437,232	-	-	-	-	2,437,232
National Emergency Fund	-	-	1,524,788	-	-	1,524,788
Others	<u>1,746,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,746,760</u>
	5,788,845	-	1,524,788	-	-	7,313,633
Permanently restricted						
Samsung scholarship	5,000,000	-	-	-	-	5,000,000
American Legion Endowment Fund	<u>-</u>	<u>6,524,039</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,524,039</u>
	5,000,000	6,524,039	-	-	-	11,524,039
Shareholders' equity,						
Common stock	-	-	-	1,000	(1,000)	-
Additional paid-in capital	-	-	-	397,577	(397,577)	-
Retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,603,719</u>	<u>(1,603,719)</u>	<u>-</u>
Total net assets	<u>66,636,652</u>	<u>6,368,752</u>	<u>1,524,788</u>	<u>2,002,296</u>	<u>(2,402,294)</u>	<u>74,130,194</u>
	<u>\$ 134,156,676</u>	<u>\$ 8,369,572</u>	<u>\$1,585,465</u>	<u>\$ 2,434,292</u>	<u>\$ (4,935,698)</u>	<u>\$ 141,610,307</u>

(See report of independent auditors on supplementary information.)

Supplementary Information

The American Legion National Headquarters Consolidating Statement of Financial Position December 31, 2004

	American Legion National Headquarters	American Legion Endowment Fund	National Emergency Fund	Haynes and Partners Communications, Inc.	Eliminations	Total
ASSETS						
Cash and cash equivalents	\$ 563,059	\$ 10,464	\$ -	\$ 807,852	\$ -	\$ 1,381,375
Accounts receivable						
Emblems	41,190	-	-	-	-	41,190
Publications	953,777	-	-	-	-	953,777
Related party	-	-	-	882,983	(882,983)	-
Other	1,035,528	4,851	-	71,401	(95,472)	1,016,308
Prepaid expenses and deposits	656,644	1,888	-	72,882	-	731,414
Deferred membership expense	4,296,136	-	-	-	-	4,296,136
Due from American Legion						
Endowment Fund	2,000,000		-	-	(2,000,000)	-
Inventories						
Emblem division	2,099,652		-	-	-	2,099,652
Publication division	487,104		-	-	-	487,104
Investment in affiliate (CFA)	61,809		-	-	-	61,809
Prepaid pension expense	16,504,933		-	-	-	16,504,933
	28,699,832	17,203	-	1,835,118	(2,978,455)	27,573,698
Investments						
Segregated for restricted and reserve funds	22,416,614	-	-	-	-	22,416,614
Segregated for Washington, D.C. building	2,023,384	-	-	-	-	2,023,384
Overseas Graves Decoration Fund	932,165	-	-	-	-	932,165
Paid-Up-For-Life Membership Fund	38,317,792	-	-	-	-	38,317,792
Other	35,247,620	-	1,295,665	-	-	36,543,285
Special account – endowment fund		2,132,015	-	-	-	2,132,015
General account – endowment fund		6,013,212	-	-	-	6,013,212
Investment in HPC	2,018,059	-	-	-	(2,018,059)	-
	100,955,634	8,145,227	1,295,665	-	(2,018,059)	108,378,467
Property and equipment						
Indianapolis real estate						
Land	389,264	-	-	-	-	389,264
Building	3,611,779	-	-	-	-	3,611,779
Washington, D.C. real estate						
Land	80,000	-	-	-	-	80,000
Building	4,484,147	-	-	-	-	4,484,147
Furniture, fixtures and equipment						
National						
Headquarters, Indianapolis	5,072,769	-	-	-	-	5,072,769
Washington, D.C.	965,045	-	-	-	-	965,045
Haynes and Partners Communications, Inc.	-	-	-	878,153	-	878,153
Work in progress – Washington, D.C. building	-	-	-	-	-	-
Accumulated depreciation	(7,416,987)	-	-	(660,404)	-	(8,077,391)
	7,186,017	-	-	217,749	-	7,403,766
Total assets	\$ 136,841,483	\$ 8,162,430	\$ 1,295,665	\$ 2,052,867	\$ (4,996,514)	\$ 143,355,931

(continued)

Supplementary Information

The American Legion National Headquarters Consolidating Statement of Financial Position December 31, 2004

	American Legion National Headquarters	American Legion Endowment Fund	National Emergency Fund	Haynes and Partners Communications, Inc.	Eliminations	Total
LIABILITIES						
Accounts payable	\$ 2,381,223	\$ 3,307	\$ 40,702	\$ 297,548	\$ (882,985)	\$ 1,839,795
Scholarships payable	928,731	-	-	-	-	928,731
Accounts payable – Legion		2,077,754	-	51,515	(2,129,269)	-
Deposits on emblem merchandise sales	163,228	-	-	-	-	163,228
Deferred advertising income	119,039	-	-	-	-	119,039
Deferred dues income	19,834,053	-	-	-	-	19,834,053
Deferred income – direct membership solicitation	1,128,318	-	-	-	-	1,128,318
Accrued vacation benefits	563,562	-	-	-	-	563,562
Other liabilities	374,506	-	-	85,744	-	460,250
Notes payable	2,925,294	-	-	-	-	2,925,294
Deferred dues income						
Paid-Up-For-Life Memberships	20,007,766	-	-	-	-	20,007,766
Life memberships due to state and local posts	26,057,105	-	-	-	-	26,057,105
	<u>74,482,825</u>	<u>2,081,061</u>	<u>40,702</u>	<u>434,807</u>	<u>(3,012,254)</u>	<u>74,027,141</u>
NET ASSETS						
Unrestricted – general	15,860,070	-	-	-	(366,200)	15,493,870
Unrestricted – designated						
Citizens Flag Alliance	61,809	-	-	-	-	61,809
Computer reserve	500,000	-	-	-	-	500,000
Convention reserve	100,000	-	-	-	-	100,000
Convention stabilization	556,842	-	-	-	-	556,842
Employee insurance stabilization	100,000	-	-	-	-	100,000
Paid-Up-For-Life Membership Fund	1,640,050	-	-	-	-	1,640,050
Real estate reserve	2,602,898	-	-	-	-	2,602,898
Reserve fund	2,263,190	-	-	-	-	2,263,190
Restricted fund	20,133,375	-	-	-	-	20,133,375
Youth program (Life Insurance Plan)	4,196,834	-	-	-	-	4,196,834
Veterans' rehabilitation/child welfare (special account)	2,000,000	-	-	-	-	2,000,000
Sons of the American Legion	967,769	-	-	-	-	967,769
Other	969,825	(73,777)	-	-	-	896,048
	<u>51,952,662</u>	<u>(73,777)</u>	<u>-</u>	<u>-</u>	<u>(366,200)</u>	<u>51,512,685</u>
Temporarily restricted						
Buick scholarship	694,855	-	-	-	-	694,855
Overseas Graves Decoration Fund	933,042	-	-	-	-	933,042
Samsung scholarship	2,703,141	-	-	-	-	2,703,141
National Emergency Fund	-	-	1,254,963	-	-	1,254,963
Others	1,074,958	-	-	-	-	1,074,958
	<u>5,405,996</u>	<u>-</u>	<u>1,254,963</u>	<u>-</u>	<u>-</u>	<u>6,660,959</u>
Permanently restricted						
Samsung scholarship	5,000,000	-	-	-	-	5,000,000
American Legion Endowment Fund	-	6,155,146	-	-	-	6,155,146
	<u>5,000,000</u>	<u>6,155,146</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,155,146</u>
Shareholders' equity,						
Common stock	-	-	-	1,000	(1,000)	-
Additional paid-in capital	-	-	-	397,577	(397,577)	-
Retained earnings	-	-	-	1,219,483	(1,219,483)	-
Total net assets	<u>62,358,658</u>	<u>6,081,369</u>	<u>1,254,963</u>	<u>1,618,060</u>	<u>(1,984,260)</u>	<u>69,328,790</u>
	<u>\$ 136,841,483</u>	<u>\$ 8,162,430</u>	<u>\$ 1,295,665</u>	<u>\$ 2,052,867</u>	<u>\$ (4,996,514)</u>	<u>\$ 143,355,931</u>

(See report of independent auditors on supplementary information.)

Supplementary Information

The American Legion National Headquarters Consolidating Statement of Activities December 31, 2005

	American Legion National <u>Headquarters</u>	American Legion Endowment <u>Fund</u>	National Emergency <u>Fund</u>	Haynes and Partners Communications, <u>Inc.</u>	<u>Eliminations</u>	<u>Total</u>
Revenue, gains and other support						
National member dues	\$ 22,500,825	\$ -	\$ -	\$ -	\$ -	\$ 22,500,825
Sales of emblem items	9,979,778	-	-	-	-	9,979,778
Sales - HPC	-	-	-	7,175,641	(6,562,649)	612,992
Advertising	8,481,743	-	-	-	-	8,481,743
Direct membership solicitation	2,324,017	-	-	-	-	2,324,017
American Legion Endowment Fund income	384,929	-	-	-	(384,929)	-
Contributions	1,012,388	564,630	2,367,506	-	-	3,944,524
Affinity income	402,585	-	-	-	-	402,585
Label and printing fees	1,728,606	-	-	-	-	1,728,606
Member service fees income	1,869,173	-	-	-	-	1,869,173
Investment income, net of fees	2,366,424	384,176	45,665	23,988	-	2,820,253
Net realized losses	(445,691)	(33,112)	(40,705)	-	-	(519,508)
Other	2,180,341	-	-	-	-	2,180,341
Net income in subsidiary	<u>384,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(384,235)</u>	<u>-</u>
	53,169,353	915,694	2,372,466	7,199,629	(7,331,813)	56,325,329
Expenses						
Salaries	11,103,087	-	-	-	-	11,103,087
Employee benefits	2,872,249	-	-	-	-	2,872,249
Cost of sales	8,011,033	-	-	-	(146,580)	7,864,453
Cost of sales - HPC	-	-	-	5,556,287	(5,081,631)	474,656
Direct publications	10,635,653	-	-	-	-	10,635,653
Executive and staff travel	752,508	-	-	-	-	752,508
Commission and committee	1,651,630	-	-	-	-	1,651,630
Printing and postage	2,121,720	-	-	-	-	2,121,720
Scholarships, grants and awards	1,384,524	-	-	-	-	1,384,524
Office and other operating	9,725,218	27,497	-	1,018,771	(1,300,639)	9,470,847
Occupancy and usage	2,089,628	-	-	240,335	-	2,329,963
Special projects and programs	<u>2,941,842</u>	<u>384,929</u>	<u>2,117,524</u>	<u>-</u>	<u>(384,929)</u>	<u>5,059,366</u>
	53,289,092	412,426	2,117,524	6,815,393	(6,913,779)	55,720,656
Change in net assets before net unrealized gains (losses)	(119,739)	503,268	254,942	384,236	(418,034)	604,673
Net unrealized gains (losses) - PUFL	6,401,784	-	-	-	-	6,401,784
Net unrealized gains (losses) - investment	<u>(2,004,051)</u>	<u>(215,885)</u>	<u>14,883</u>	<u>-</u>	<u>-</u>	<u>(2,205,053)</u>
Change in net assets	4,277,994	287,383	269,825	384,236	(418,034)	4,801,404
Net assets, beginning of year, as restated	<u>62,358,658</u>	<u>6,081,369</u>	<u>1,254,963</u>	<u>1,618,060</u>	<u>(1,984,260)</u>	<u>69,328,790</u>
Net assets, end of year	<u>\$ 66,636,652</u>	<u>\$ 6,368,752</u>	<u>\$ 1,524,788</u>	<u>\$ 2,002,296</u>	<u>\$ (2,402,294)</u>	<u>\$ 74,130,194</u>

(See report of independent auditors on supplementary information.)

Supplementary Information

The American Legion National Headquarters Consolidating Statement of Activities December 31, 2004

	American Legion National Headquarters	American Legion Endowment Fund	National Emergency Fund	Haynes and Partners Communications, Inc.	Eliminations	Total
Revenue, gains and other support						
National member dues	\$ 23,006,346	\$ -	\$ -	\$ -	\$ -	\$ 23,006,346
Sales of emblem items	10,021,586	-	-	-	-	10,021,586
Sales - HPC	-	-	-	5,160,270	(4,416,329)	743,941
Advertising	8,686,645	-	-	-	-	8,686,645
Direct membership solicitation	2,038,819	-	-	-	-	2,038,819
American Legion Endowment- Fund income	415,611	-	-	-	(415,611)	-
Contributions	1,350,582	43,620	443,113	-	-	1,837,315
Affinity income	284,903	-	-	-	-	284,903
Label and printing fees	1,717,060	-	-	-	-	1,717,060
Member service fees income	1,983,690	-	-	-	-	1,983,690
Investment income, net of fees	2,345,722	408,533	48,870	10,338	-	2,813,463
Net realized losses	(195,816)	(5,932)	(1,430)	-	-	(203,178)
Other	2,190,200	-	-	-	(171,791)	2,018,409
Net income in subsidiary	62,407	-	-	-	(62,407)	-
	<u>53,907,755</u>	<u>446,221</u>	<u>490,553</u>	<u>5,170,608</u>	<u>(5,066,138)</u>	<u>54,948,999</u>
Expenses						
Salaries	11,952,184	-	-	-	-	11,952,184
Employee benefits	2,705,451	-	-	-	-	2,705,451
Cost of sales	7,347,097	-	-	-	(131,495)	7,215,602
Cost of sales - HPC	-	-	-	4,187,372	(3,583,691)	603,681
Direct publications	10,744,666	-	-	-	-	10,744,666
Executive and staff travel	851,379	-	-	-	-	851,379
Commission and committee	1,368,432	-	-	-	-	1,368,432
Printing and postage	2,209,734	-	-	-	-	2,209,734
Scholarships, grants and awards	1,121,141	-	-	-	-	1,121,141
Office and other operating	9,677,403	30,526	-	749,039	(701,143)	9,755,825
Veterans and child programs	-	-	-	-	-	-
Occupancy and usage	1,994,054	-	-	171,791	(171,791)	1,994,054
Special projects and programs	2,343,963	415,611	381,418	-	(415,611)	2,725,381
	<u>52,315,504</u>	<u>446,137</u>	<u>381,418</u>	<u>5,108,202</u>	<u>(5,003,731)</u>	<u>53,247,530</u>
Change in net assets before net unrealized gains (losses)	1,592,251	84	109,135	62,406	(62,407)	1,701,469
Net unrealized gains (losses) - PUFL	(545,000)	-	-	-	-	(545,000)
Net unrealized gains (losses) - investment	421,731	(153,853)	1,637	-	-	269,515
Change in net assets	1,468,892	(153,769)	110,772	62,406	(62,407)	1,425,984
Net assets, beginning of year, as previously reported	61,138,658	6,235,138	895,209	1,555,654	(1,921,853)	67,902,806
Prior period adjustment	<u>(248,982)</u>	<u>-</u>	<u>248,982</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, beginning of year, as restated	<u>60,889,676</u>	<u>6,235,138</u>	<u>1,144,191</u>	<u>1,555,654</u>	<u>(1,921,853)</u>	<u>67,902,806</u>
Net assets, end of year	<u>\$ 62,358,658</u>	<u>\$ 6,081,369</u>	<u>\$1,254,963</u>	<u>\$ 1,618,060</u>	<u>\$ (1,984,260)</u>	<u>\$ 69,328,790</u>

(See report of independent auditors on supplementary information.)



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